

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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SENATE BILL 1221

Short Title: Lottery Funds. (Public)

Sponsors: Senators Stevens; Allran, Apodaca, Berger of Rockingham, Bingham, Brock, Garwood, Goodall, Hunt, Jacumin, Pittenger, Presnell, Smith, Tillman, and Webster.

Referred to: Rules and Operations of the Senate.

May 10, 2006

A BILL TO BE ENTITLED

AN ACT TO AMEND THE CONSTITUTION TO PROVIDE THAT IF THE STATE OPERATES A LOTTERY, THAT THE NET PROCEEDS SHALL BE DEDICATED TO EDUCATION, AND TO FORBID THE NET PROCEEDS FROM SUPPLANTING OTHER EXPENDITURES FOR THE SAME PURPOSES.

The General Assembly of North Carolina enacts:

SECTION 1. Article V of the North Carolina Constitution is amended by adding a new section to read:

"Sec. 14. State lottery funds.

If the State establishes a lottery, the net proceeds after paying prizes and the expenses of the lottery shall be used solely for the support of public schools and higher education. If the State establishes a lottery, the proceeds shall be used in addition to other expenditures for the public schools and higher education, and the total amount appropriated for public schools and higher education, not including the lottery proceeds, may not be reduced, although for capital expenditures the General Assembly may by law exclude from consideration for a particular unit a year in which local capital expenditures were significantly higher than the norm, either due to one-time expenditures from reserves or the beginning of expenditures pursuant to a bond issue."

SECTION 2. The amendment set out in Section 1 of this act shall be submitted to the qualified voters of the State at the statewide general election in November 2006, which election shall be conducted under the laws then governing elections in the State. Ballots, voting systems, or both may be used in accordance with Chapter 163 of the General Statutes. The question to be used in the voting systems and ballots shall be:

"[] FOR [] AGAINST

1 Constitutional amendment to provide that if the State operates a lottery, the
2 net proceeds may be expended only for the public schools and higher education, and to
3 prevent those net proceeds from supplanting funds appropriated for those purposes."

4 **SECTION 3.** If a majority of the votes cast on the question are in favor of
5 the amendment set out in Section 1 of this act, the State Board of Elections shall certify
6 the amendment to the Secretary of State, who shall enroll the amendment so certified
7 among the permanent records of that office. The amendment becomes effective January
8 1, 2007.

9 **SECTION 4.** This act is effective when it becomes law.