

REFERENCE TITLE: lottery proceeds; university scholarships

State of Arizona
Senate
Forty-eighth Legislature
Second Regular Session
2008

SB 1426

Introduced by
Senators Hale, Miranda, Pesquiera: Aboud, Arzberger, Landrum Taylor;
Representatives Chabin, Rios P

AN ACT

AMENDING SECTION 5-522, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 14, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 9; RELATING TO THE STATE LOTTERY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 5-522, Arizona Revised Statutes, is amended to
3 read:

4 5-522. Use of monies in state lottery fund; report

5 A. The monies in the state lottery fund shall be expended only for the
6 following purposes and in the order provided:

7 1. For the expenses of the commission incurred in carrying out its
8 powers and duties and in the operation of the lottery.

9 2. For payment to the commerce and economic development commission
10 fund established by section 41-1505.10 of not less than twenty-one and
11 one-half per cent of the revenues received from the sale of two special
12 lottery games conducted for the benefit of economic development.

13 3. Except as provided in subsection F of this section, for payment to
14 the local transportation assistance fund established by section 28-8101 of
15 not less than twenty-nine per cent of the revenues received from the sale of
16 multistate lottery games, up to a maximum of eighteen million dollars each
17 fiscal year.

18 4. For payment to the state general fund of not less than twenty-one
19 and one-half per cent of the revenues received from the sale of any instant
20 bingo games conducted by the state lottery and not less than twenty-nine per
21 cent of the revenues received from the sale of any ~~on-line~~ ONLINE
22 three-number games conducted by the state lottery, up to a maximum of ten
23 million dollars each fiscal year, except that if on or before June 1 of each
24 fiscal year the state lottery director determines that monies available to
25 the Arizona state parks board heritage fund under subsection D of this
26 section may not equal ten million dollars in that fiscal year or that the
27 monies available to the Arizona game and fish commission heritage fund under
28 subsection D of this section may not equal ten million dollars in that fiscal
29 year, or both, the director shall authorize deposits to the Arizona state
30 parks board heritage fund in an amount so that the total monies in that fund
31 in that fiscal year equal ten million dollars or to the Arizona game and fish
32 commission heritage fund in an amount so that the total monies in that fund
33 in that fiscal year equal ten million dollars, or both. The state lottery
34 director shall not make any deposits pursuant to this paragraph until after
35 the director's determination each fiscal year.

36 5. Of the monies remaining in the state lottery fund from the sale of
37 instant bingo games and ~~on-line~~ ONLINE three-number games each fiscal year,
38 thirty per cent shall be allocated to the funds and programs described in
39 subsection E of this section and seventy per cent shall be deposited in the
40 local transportation assistance fund established by section 28-8101. The
41 director shall not allocate more than the amount specified in subsection E of
42 this section for each fiscal year to the funds and programs described in
43 subsection E of this section from the state lottery fund pursuant to this
44 paragraph and subsection E of this section. A maximum of eighteen million
45 dollars may be deposited in the local transportation assistance fund each

1 fiscal year from the state lottery fund pursuant to this paragraph and
2 paragraph 3 of this subsection.

3 6. FOR PAYMENT TO THE LOTTERY TUITION FUND ESTABLISHED BY SECTION
4 15-1891, THE SUM OF TEN MILLION DOLLARS EACH FISCAL YEAR.

5 B. Of the monies remaining in the state lottery fund after the
6 appropriations authorized in subsection A of this section seventy-five per
7 cent up to a maximum of twenty-three million dollars each fiscal year shall
8 be deposited in the local transportation assistance fund established by
9 section 28-8101 and twenty-five per cent up to a maximum of seven million six
10 hundred fifty thousand dollars each fiscal year shall be deposited in the
11 county assistance fund established by section 41-175. Monies distributed
12 pursuant to this subsection shall be in addition to monies distributed
13 pursuant to subsection A, paragraphs 3 and 5 of this section.

14 C. Notwithstanding subsection B of this section, if the state lottery
15 director determines at the beginning of any fiscal year that monies available
16 to cities, towns and counties under this section may not equal thirty million
17 six hundred fifty thousand dollars, the director shall not authorize deposits
18 to the county assistance fund until the deposits to the local transportation
19 assistance fund equal twenty-three million dollars.

20 D. Of the monies remaining in the state lottery fund each fiscal year
21 after appropriations and deposits authorized in subsections A, B and C of
22 this section, ten million dollars shall be deposited in the Arizona state
23 parks board heritage fund established by section 41-502 and ten million
24 dollars shall be deposited in the Arizona game and fish commission heritage
25 fund established by section 17-297.

26 E. Of the monies remaining in the state lottery fund each fiscal year
27 after appropriations and deposits authorized in subsections A, B, C and D of
28 this section, and appropriations and deposits to the local transportation
29 assistance fund authorized by this section, five million dollars shall be
30 allocated to the department of economic security for the healthy families
31 program established by section 8-701, four million dollars shall be allocated
32 to the Arizona board of regents for the Arizona area health education system
33 established by section 15-1643, three million dollars shall be allocated to
34 the department of health services to fund the teenage pregnancy prevention
35 programs established in Laws 1995, chapter 190, sections 2 and 3, two million
36 dollars shall be allocated to the department of health services for the
37 health start program established by section 36-697, two million dollars shall
38 be deposited in the disease control research fund established by section
39 36-274 and one million dollars shall be allocated to the department of health
40 services for the federal women, infants and children food program. The
41 allocations in this subsection shall be adjusted annually according to
42 changes in the GDP price deflator as defined in section 41-563 and the
43 allocations are exempt from the provisions of section 35-190, relating to
44 lapsing of appropriations. If there are not sufficient monies available

1 pursuant to this subsection, the allocation of monies for each program shall
2 be reduced on a pro rata basis.

3 F. Notwithstanding subsection A, paragraph 3 of this section, if the
4 state lottery director determines that monies available to the state general
5 fund from the sale of multistate lottery games may not equal thirty-one
6 million dollars in a fiscal year, the director shall not authorize deposits
7 to the local transportation assistance fund pursuant to subsection A,
8 paragraph 3 of this section until the deposits to the state general fund from
9 the sale of multistate lottery games equal thirty-one million dollars in a
10 fiscal year.

11 G. Of the monies remaining in the state lottery fund each fiscal year
12 after appropriations and deposits authorized in subsections A through F of
13 this section, one million dollars or the remaining balance in the fund,
14 whichever is less, is appropriated to the department of economic security for
15 grants to nonprofit organizations, including faith based organizations, for
16 homeless emergency and transitional shelters and related support services.
17 The department of economic security shall submit a report on the amounts,
18 recipients, purposes and results of each grant to the governor, the speaker
19 of the house of representatives and the president of the senate on or before
20 December 31 of each year for the prior fiscal year and shall provide a copy
21 of this report to the secretary of state and the director of the Arizona
22 state library, archives and public records.

23 H. All monies remaining in the state lottery fund after the
24 appropriations and deposits authorized in this section shall be deposited in
25 the state general fund.

26 I. Except for monies expended for prizes as provided in section 5-504,
27 subsection G and section 41-1505.10, monies expended under subsection A of
28 this section are subject to legislative appropriation.

29 Sec. 2. Title 15, chapter 14, Arizona Revised Statutes, is amended by
30 adding article 9, to read:

31 ARTICLE 9. LOTTERY TUITION FUND

32 15-1891. Lottery tuition fund; exemption

33 A. THE LOTTERY TUITION FUND IS ESTABLISHED. THE ARIZONA BOARD OF
34 REGENTS SHALL ADMINISTER THE FUND. THE FUND CONSISTS OF MONIES DEPOSITED
35 PURSUANT TO SECTION 5-522 AND ALL OTHER MONIES CREDITED OR TRANSFERRED FROM
36 ANY OTHER FUND OR SOURCE.

37 B. MONIES IN THE LOTTERY TUITION FUND ARE SUBJECT TO LEGISLATIVE
38 APPROPRIATION AND SHALL BE USED TO FUND HIGHER EDUCATION SCHOLARSHIPS FOR
39 INDIVIDUALS WHO MEET THE ELIGIBILITY REQUIREMENTS PRESCRIBED IN SECTION
40 15-1892. FUND MONIES SHALL NOT REPLACE FUNDING FROM OTHER SOURCES THAT IS
41 OTHERWISE AVAILABLE FOR HIGHER EDUCATION PURPOSES AND PROGRAMS.

42 C. THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND AS
43 PROVIDED IN SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE
44 CREDITED TO THE FUND.

1 D. MONIES IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190
2 RELATING TO LAPSING OF APPROPRIATIONS.

3 15-1892. Scholarships; application; eligibility; rules; program
4 termination

5 A. THE ARIZONA BOARD OF REGENTS SHALL ESTABLISH APPLICATION
6 REQUIREMENTS AND ELIGIBILITY CRITERIA FOR APPLICANTS FOR SCHOLARSHIPS FROM
7 THE LOTTERY TUITION FUND.

8 B. A FULL-TIME STUDENT AT A UNIVERSITY IN THIS STATE WHO IS ACCEPTED
9 FOR ENROLLMENT AT A UNIVERSITY UNDER THE JURISDICTION OF THE ARIZONA BOARD OF
10 REGENTS AND WHO QUALIFIES FOR IN-STATE STUDENT STATUS UNDER SECTION 15-1802
11 SHALL RECEIVE A SCHOLARSHIP AT THE BEGINNING OF THE SECOND SEMESTER OF
12 ENROLLMENT AT THE UNIVERSITY THAT COVERS A DESIGNATED PERCENTAGE OF TUITION
13 COSTS IF THE STUDENT GRADUATED FROM A PUBLIC OR PRIVATE HIGH SCHOOL IN THIS
14 STATE OR OBTAINED A GENERAL EQUIVALENCY DIPLOMA IN THIS STATE AND MEETS
15 EITHER OF THE FOLLOWING REQUIREMENTS:

16 1. THE STUDENT OBTAINED A CUMULATIVE GRADE POINT AVERAGE OF AT LEAST
17 2.5 ON A 4.0 SCALE DURING THE FIRST SEMESTER AFTER THE STUDENT'S INITIAL
18 ENROLLMENT AT A UNIVERSITY UNDER THE JURISDICTION OF THE ARIZONA BOARD OF
19 REGENTS.

20 2. THE STUDENT BOTH:

21 (a) BEGAN SERVICE IN A BRANCH OF THE UNITED STATES ARMED FORCES NO
22 LATER THAN ONE HUNDRED TWENTY DAYS AFTER OBTAINING A HIGH SCHOOL DIPLOMA OR
23 GENERAL EQUIVALENCY DIPLOMA.

24 (b) WAS ACCEPTED FOR ENROLLMENT AT A UNIVERSITY UNDER THE JURISDICTION
25 OF THE ARIZONA BOARD OF REGENTS NO LATER THAN ONE HUNDRED TWENTY DAYS AFTER
26 THE STUDENT RECEIVED AN HONORABLE DISCHARGE OR A MEDICAL DISCHARGE FROM A
27 BRANCH OF THE UNITED STATES ARMED FORCES.

28 C. A STUDENT MAY NOT RECEIVE A SCHOLARSHIP FROM THE LOTTERY TUITION
29 FUND FOR MORE THAN FOUR YEARS.

30 D. ON OR BEFORE JUNE 30 OF EACH YEAR, THE ARIZONA BOARD OF REGENTS
31 SHALL DETERMINE THE AMOUNT OF MONIES AVAILABLE FOR LOTTERY TUITION FUND
32 SCHOLARSHIPS. THE ARIZONA BOARD OF REGENTS SHALL DESIGNATE A SPECIFIC
33 PERCENTAGE OF TUITION COSTS THAT WILL BE AWARDED TO PERSONS WHO QUALIFY FOR
34 SCHOLARSHIPS FROM THE LOTTERY TUITION FUND BASED ON THE AMOUNT APPROPRIATED
35 BY THE LEGISLATURE FROM THE LOTTERY TUITION FUND AND THE PROJECTED ENROLLMENT
36 AT THE UNIVERSITIES UNDER THE JURISDICTION OF THE ARIZONA BOARD OF REGENTS.
37 THE DESIGNATED PERCENTAGE OF TUITION COSTS AWARDED SHALL BE THE SAME FOR EACH
38 UNIVERSITY AND SHALL NOT BE ADJUSTED FOR DISCREPANCIES IN THE ACTUAL COST OF
39 TUITION AT EACH UNIVERSITY.

40 E. THE ARIZONA BOARD OF REGENTS MAY ADOPT RULES TO CARRY OUT THE
41 PURPOSES OF THIS SECTION.

42 F. THE SCHOLARSHIP PROGRAM ESTABLISHED BY THIS ARTICLE ENDS ON JUNE
43 30, 2018 PURSUANT TO SECTION 41-3102.