

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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SENATE BILL 602

Short Title: Const. Amend.-Reserve Lottery Funds Pre-K. (Public)

Sponsors: Senators Stein (Primary Sponsor); and Van Duyn.

Referred to: Rules and Operations of the Senate.

March 30, 2015

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE NORTH CAROLINA CONSTITUTION TO REQUIRE A
3 SPECIFIC PORTION OF LOTTERY PROCEEDS TO BE ALLOCATED TO PRE-K
4 AND HIGHER EDUCATION ASSISTANCE PROGRAMS.

5 The General Assembly of North Carolina enacts:

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7 **PART I. CONSTITUTIONAL AMENDMENT**

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

10 **"Sec. 15. Use of Lottery Funds.**

11 Of the total annual net revenues of any lottery operated by the State, fifty percent (50%)
12 shall be appropriated to pre-kindergarten programs and fifty percent (50%) shall be
13 appropriated to need-based and merit-based assistance for higher education programs operated
14 in this State."

15 **SECTION 1.(b)** The amendment set out in subsection (a) of this section shall be
16 submitted to the qualified voters of the State at a statewide general election to be conducted on
17 November 3, 2015, which election shall be conducted under the laws then governing elections
18 in the State. Ballots, voting systems, or both may be used in accordance with Chapter 163 of
19 the General Statutes. The question to be used in the voting systems and ballots shall be:

20 "[] FOR [] AGAINST

21 A constitutional amendment providing that fifty percent (50%) of the annual net revenues
22 of any lottery operated by the State shall be used to fund Pre-Kindergarten programs and fifty
23 percent (50%) shall be used to fund need-based and merit-based assistance for higher education
24 programs operated in this State."
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26 **PART II. CONFORMING CHANGES**

27 **SECTION 2.** G.S. 18C-164 reads as rewritten:

28 **"§ 18C-164. Transfer of net revenues.**

29 (a) The funds remaining in the North Carolina State Lottery Fund after receipt of all
30 revenues to the Lottery Fund and after accrual of all obligations of the Commission for prizes
31 and expenses shall be considered to be the net revenues of the North Carolina State Lottery
32 Fund. The net revenues of the North Carolina State Lottery Fund shall be transferred four times
33 a year to the Education Lottery Fund, which shall be created in the State treasury.

34 (b) From the Education Lottery Fund, the Office of State Budget and Management shall
35 transfer a sum equal to five percent (5%) of the net revenue of the prior year to the Education
36 Lottery Reserve Fund. A special revenue fund for this purpose shall be established in the State



1 treasury to be known as the Education Lottery Reserve Fund, and that fund shall be capped at
2 fifty million dollars (\$50,000,000). Monies in the Education Lottery Reserve Fund may be
3 appropriated only as provided in subsection (e) of this section.

4 (c) The General Assembly shall appropriate the remaining net revenue of the Education
5 Lottery Fund annually in the Current Operations Appropriations Act ~~for education related~~
6 ~~purposes, based upon estimates of lottery net revenue to the Education Lottery Fund provided~~
7 ~~by the Office of State Budget and Management and the Fiscal Research Division of the~~
8 ~~Legislative Services Commission.~~ as follows: (i) fifty percent (50%) to pre-kindergarten
9 programs and (ii) fifty percent (50%) to need-based and merit-based assistance for higher
10 education programs operated in this State. A security interest shall not be granted in funds
11 appropriated pursuant to this subsection.

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14 PART III. EFFECTIVE DATES

15 **SECTION 3.(a)** If a majority of votes cast on the question are in favor of the
16 amendment set out in Section 1(a) of this act, the State Board of Elections shall certify the
17 amendment to the Secretary of State. The amendment shall become effective upon such
18 certification. The Secretary of State shall enroll the amendment so certified among the
19 permanent records of that office.

20 **SECTION 3.(b)** Section 2 of this act is effective when it becomes law.