

By: Representatives Lamar, Massengill,
Steverson

To: Gaming; Ways and Means

HOUSE BILL NO. 1128

1 AN ACT TO AMEND SECTION 27-115-85, MISSISSIPPI CODE OF 1972,
 2 TO REVISE THE DISTRIBUTION OF NET PROCEEDS GENERATED BY THE ALYCE
 3 G. CLARKE MISSISSIPPI LOTTERY LAW TO PROVIDE THAT EIGHTY PERCENT
 4 OF THE NET PROCEEDS SHALL BE PAID INTO THE STATE HIGHWAY FUND BY
 5 WARRANT ISSUED BY THE STATE FISCAL OFFICER UPON REQUISITION OF THE
 6 STATE TRANSPORTATION COMMISSION AS NEEDED TO PROVIDE FUNDS TO
 7 REPAIR, RENOVATE AND MAINTAIN HIGHWAYS AND BRIDGES OF THE STATE,
 8 AND TWENTY PERCENT OF THE NET PROCEEDS SHALL BE TRANSFERRED INTO
 9 THE EDUCATION ENHANCEMENT FUND FOR THE PURPOSES OF FUNDING THE
 10 EARLY CHILDHOOD LEARNING COLLABORATIVE, THE CLASSROOM SUPPLY FUND
 11 AND/OR OTHER EDUCATIONAL PURPOSES; TO AMEND SECTION 75-76-129,
 12 MISSISSIPPI CODE OF 1972, TO DELETE THE REVERTER ON THE PROVISION
 13 OF LAW PROVIDING THAT CERTAIN FEES COLLECTED UNDER THE MISSISSIPPI
 14 GAMING CONTROL ACT AS A RESULT OF WAGERS ON SPORTING EVENTS SHALL
 15 BE DEPOSITED INTO THE STATE HIGHWAY FUND TO BE USED SOLELY FOR THE
 16 REPAIR AND MAINTENANCE OF STATE HIGHWAYS AND BRIDGES; TO BRING
 17 FORWARD SECTION 27-115-51, MISSISSIPPI CODE OF 1972, WHICH
 18 PROVIDES FOR THE DEPOSIT OF MONIES RECEIVED FROM LOTTERY TICKET
 19 SALES INTO A CORPORATE OPERATING ACCOUNT AND THE TRANSFER OF NET
 20 PROCEEDS FROM THE CORPORATE OPERATING ACCOUNT TO THE LOTTERY
 21 PROCEEDS FUND FOR THE PURPOSES OF POSSIBLE AMENDMENT; AND FOR
 22 RELATED PURPOSES.

23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

24 **SECTION 1.** Section 27-115-85, Mississippi Code of 1972, is
 25 amended as follows:

26 27-115-85. (1) Until June 30, * * * 2024, net proceeds
 27 generated by the Alyce G. Clarke Mississippi Lottery Law, created
 28 pursuant to this chapter and deposited into the Lottery Proceeds



29 Fund under Section 27-115-51(2), except as otherwise provided in
30 this section, shall be paid into the State Highway Fund by warrant
31 issued by the State Fiscal Officer upon requisition of the State
32 Transportation Commission as needed to provide funds to repair,
33 renovate and maintain highways and bridges of the state; however,
34 funds paid into the State Highway Fund under this section shall be
35 first used for matching federal funds authorized to the state
36 pursuant to any federal highway infrastructure program implemented
37 after September 1, 2018. However, all such monies deposited into
38 the Lottery Proceeds Fund over Eighty Million Dollars
39 (\$80,000,000.00) in a fiscal year shall be transferred into the
40 Education Enhancement Fund for the purposes of funding the Early
41 Childhood Learning Collaborative, the Classroom Supply Fund and/or
42 other educational purposes. * * *

43 (2) From and after July 1, 2024, of the net proceeds
44 generated by the Alyce G. Clarke Mississippi Lottery Law, created
45 pursuant to this chapter and deposited into the Lottery Proceeds
46 Fund under Section 27-115-51: (a) eighty percent (80%) of such
47 net proceeds shall be paid into the State Highway Fund by warrant
48 issued by the State Fiscal Officer upon requisition of the State
49 Transportation Commission as needed to provide funds to repair,
50 renovate and maintain highways and bridges of the state, provided
51 that funds paid into the State Highway Fund shall be first used
52 for matching federal funds authorized to the state pursuant to any
53 federal highway infrastructure program implemented after September



54 1, 2018, and (b) twenty percent (20%) of such net proceeds shall
55 be transferred into the Education Enhancement Fund for the
56 purposes of funding the Early Childhood Learning Collaborative,
57 the Classroom Supply Fund and/or other educational purposes.

58 **SECTION 2.** Section 75-76-129, Mississippi Code of 1972, is
59 amended as follows:

60 * * *

61 75-76-129. (1) On or before the last day of each month all
62 taxes, fees, interest, penalties, damages, fines or other monies
63 collected by the Department of Revenue during that month under the
64 provisions of this chapter, with the exception of (a) the local
65 government fees imposed under Section 75-76-195, and (b) an amount
66 equal to Three Million Dollars (\$3,000,000.00) of the revenue
67 collected pursuant to the fee imposed under Section
68 75-76-177(1)(c), and (c) the revenue collected pursuant to the fee
69 imposed under Section 75-76-177(1)(c) as a result of wagers on
70 sporting events shall be paid by the Department of Revenue to the
71 State Treasurer to be deposited in the State General Fund. The
72 local government fees shall be distributed by the Department of
73 Revenue pursuant to Section 75-76-197.

74 (2) An amount equal to Three Million Dollars (\$3,000,000.00)
75 of the revenue collected during that month pursuant to the fee
76 imposed under Section 75-76-177(1)(c) shall be deposited by the
77 Department of Revenue into the bond sinking fund created in
78 Section 1(3) of Chapter 479, Laws of 2015.



79 (3) Revenue collected pursuant to the fee imposed under
80 Section 75-76-177(1)(c) as a result of wagers on sporting events
81 shall be deposited into the State Highway Fund to be used solely
82 for the repair and maintenance of highways and bridges of the
83 State of Mississippi. This revenue shall be used first for
84 matching funds made available to the state for such purposes
85 pursuant to any federal highway infrastructure program implemented
86 after September 1, 2018.

87 * * *

88 **SECTION 3.** Section 27-115-51, Mississippi Code of 1972, is
89 brought forward as follows:

90 27-115-51. (1) (a) All monies received by the corporation
91 from the sale of lottery tickets and all other sources shall be
92 deposited into a corporate operating account. Such account shall
93 be established in a custodian financial institution domiciled in
94 the State of Mississippi and insured by the Federal Deposit
95 Insurance Corporation and collateralized as prescribed by Section
96 27-105-5. The corporation may use all monies in the corporate
97 operating account for the purposes of paying prizes and the
98 necessary expenses of the corporation and dividends to the state.
99 The corporation shall estimate and allocate the amount to be paid
100 by the corporation to prizewinners.

101 (b) (i) The investment of monies in the corporate
102 operating account, other than the amount specifically required for
103 the purchase of securities for payment of deferred prizes, shall



104 be invested in a manner prescribed by the board, consistent with
105 law. Such securities purchased as investments by the corporation
106 shall be issued in the name of the corporation and shall be kept
107 at a custodian financial institution domiciled in the State of
108 Mississippi insured by the Federal Deposit Insurance Corporation.

109 (ii) The investment of monies in the corporate
110 operating account, other than the amount specifically required for
111 the purchase of securities for deferred prize payments to winners,
112 shall be invested only in securities in a manner prescribed by the
113 board, consistent with law. Such securities purchased as
114 investments by the corporation shall be issued in the name of the
115 corporation and shall be safe kept at a custodian financial
116 institution domiciled in the State of Mississippi insured by the
117 Federal Deposit Insurance Corporation.

118 (iii) These instruments may be in varying
119 maturities and may be in book-entry form.

120 (iv) For the purpose of deferred prize payments to
121 winners, the corporation shall purchase or invest in only those
122 securities prescribed by the board, consistent with law.

123 (c) Within twenty (20) days following the close of each
124 calendar month, the corporation shall transfer to the Lottery
125 Proceeds Fund in the State Treasury the amount of net proceeds.

126 (d) The apportionment of the total gross revenues
127 accruing from the sale of lottery tickets or shares and from all
128 other sources shall be as follows:



129 (i) The payment of prizes to the holders of
130 winning lottery tickets or shares which in any case shall be no
131 less than fifty percent (50%) of the total gross revenues accruing
132 from the sale of lottery tickets.

133 (ii) The payment of costs incurred in the
134 operation and administration of the lottery, including the
135 expenses of the corporation and the costs resulting from any
136 contract or contracts entered into for promotional, advertising or
137 operational services or for the purchase or lease of lottery
138 equipment and materials, which in no case shall exceed fifteen
139 percent (15%) of the total gross revenues accruing from the sale
140 of lottery tickets. However, this restriction shall not apply
141 until after the first twelve (12) months of revenue generation.

142 (2) A Lottery Proceeds Fund is hereby established in the
143 State Treasury. Net proceeds shall be deposited into this fund as
144 provided in subsection (1) of this section. Monies deposited into
145 the Lottery Proceeds Fund shall be invested by the state in
146 accordance with state investment practices, and all earnings from
147 such investments shall accrue to this account. No monies shall be
148 allotted or expended from this account unless pursuant to a
149 warrant issued as provided under Section 27-115-85.

150 **SECTION 4.** This act shall take effect and be in force from
151 and after July 1, 2024.

