Chapter 461

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Oregon State Lottery

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GENERAL PROVISIONS

461.010 Definitions. Unless the context requires otherwise, the definitions contained in this chapter shall govern the construction of this chapter.

(1) "Lottery" or "state lottery" means the Oregon State Lottery established and operated pursuant to the Constitution of the State of Oregon and this chapter.

(2) "Commissioner" means one of the members of the lottery commission appointed by the Governor pursuant to the Constitution of the State of Oregon and this chapter to oversee the state lottery.

(3) "Director" means the Director of the Oregon State Lottery appointed by the Governor pursuant to the Constitution of the State of Oregon and this chapter as the chief administrator of the Oregon State Lottery.

(4) "Lottery commission" or "commission" means the five-member body appointed by the Governor pursuant to the Constitution of the State of Oregon and this chapter to oversee the lottery and the director.

(5) "Lottery game" or "game" means any procedure authorized by the commission whereby prizes are distributed among persons who have paid, or unconditionally agreed to pay, for tickets or shares which provide the opportunity to win such prizes.

(6) "Person" means any natural person or corporation, trust, association, partnership, joint venture, subsidiary or other business entity.

(7) "Lottery game retailer" means a person with whom the lottery commission has contracted for the purpose of selling tickets or shares in lottery games to the public.

(8) "Lottery vendor" or "vendor" means any person who submits a bid, proposal or offer to provide goods or services to the commission or lottery.

(9) "Lottery contractor" means a person with whom the state lottery has contracted for the purpose of providing goods and services for the state lottery. [1985 c.2 §1(7); 1985 c.302 §1(7)]

461.015 Short title. This chapter shall be known as the Oregon State Lottery Act of 1984. [1985 c.2 §1(1); 1985 c.302 §1(1)]

461.020 Purpose. The people of the State of Oregon declare that the purpose and intent of this chapter is to provide additional moneys for the public purpose described in section 4, Article XV of the Constitution of the State of Oregon through the operation of a state lottery without the imposition of additional or increased taxes. [1985 c.2 §1(2); 1985 c.302 §1(2)]

461.030 Local laws preempted; applicability of other laws; severability. (1) This chapter shall be applicable and uniform throughout the state and all political subdivisions and municipalities therein, and no local authority shall enact any ordinances, rules or regulations in conflict with the provisions hereof.

(2) Any other state or local law or regulation providing any penalty, disability or prohibition for the manufacture, transportation, distribution, advertising, possession or sale of any lottery tickets or shares shall not apply to the tickets or shares of the state lottery. The gambling laws of the State of Oregon shall not apply to lottery tickets or shares, or to the operation of the state lottery established by the Constitution of the State of Oregon and this chapter.

(3) If any provision of this chapter or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable.

(4) This chapter is dependent and is conditioned upon the passage by the voters at the November 6, 1984, general election of an amendment to section 4, Article XV of the Oregon Constitution authorizing state operation of a lottery.

(5) The Oregon State Lottery is subject to:

(a) Statewide financial reporting required in ORS 291.040.

(b) The mass transit assessment under ORS 291.405.

(c) The deposit of state money to the State Treasurer under ORS 293.265. [1985 c.2 §8(2), (3), (5), (6), (9); 1985 c.302 §8(2), (3), (5), (6), (9)]

461.040 Effect on other gambling laws. Nothing contained in this chapter shall be construed to repeal or modify existing state laws with respect to gambling, except that the state-operated lottery established by the Constitution of the State of Oregon and this chapter shall not be subject to such laws. [1985 c.2 §1(3); 1985 c.302 §1(3)]

461.050 Location of offices. The Oregon State Lottery shall have its principal offices in the capital city. [1985 c.302 §8(7)]

ADMINISTRATION

(Oregon State Lottery Commission)

461.100 Oregon State Lottery Commission; members; duties; meetings. (1) The Oregon State Lottery Commission is hereby created in state government.

(2)(a) The Oregon State Lottery Commission shall consist of five members appointed by the Governor and confirmed by the Senate who shall serve at the pleasure of the Governor.

(b) The members shall be appointed for terms of four years.

(c) Vacancies shall be filled within 30 days by the Governor, subject to confirmation by the Senate, for the unexpired portion of the term in which they occur.

(3) At least one of the commissioners shall have a minimum of five years experience in law enforcement and at least one of the commissioners shall be a certified public accountant. No person shall be appointed as a lottery commissioner who has been convicted of a felony or a gambling related offense. No more than three members of the commission shall be members of the same political party.

(4) The commission shall exercise all powers necessary to effectuate the purpose of this chapter. In all decisions, the commission shall take into account the particularly sensitive nature of the lottery and shall act to promote and insure integrity, security, honesty and fairness in the operation and administration of the state lottery.

(5) Lottery commissioners shall be eligible for compensation and expenses under ORS 292.495.

(6) Lottery commissioners shall file a verified statement of economic interest with the Oregon Government Ethics Commission and shall be subject to the provisions of ORS chapter 244.

(7) The Governor shall select annually from the membership of the commission a chairperson who serves at the pleasure of the Governor. The chairperson or a majority of the members of the commission then in office shall have the power to call special meetings of the commission.

(8) Meetings of the commission shall be open and public in accordance with state law. Records of the commission shall be open and available to the public in accordance with state law. The commission shall meet with the director not less than monthly to make recommendations and set policy, to approve or reject reports of the director, to adopt rules and to transact other business.

(9) A quorum of the commission shall consist of a majority of the members of the commission then in office. All decisions of the commission shall be made by a majority vote of all of the commissioners then in office.

(10) The commission shall prepare quarterly and annual reports of the operation of the state lottery. Such reports shall include a full and complete statement of state lottery revenues, prize disbursements, expenses, net revenues and all other financial transactions involving state lottery funds. The commission shall, not less than annually, contact interested parties, including those named in ORS 461.180 (3), and provide them with such quarterly and annual reports as they may request. [1985 c.2 §2(1) to (10); 1985 c.302 §2(1) to (10); 1991 c.30 §1]

461.110 Criminal identification information available to lottery; service and execution of warrants. (1) Upon the request of the commission or the director, the office of the Attorney General and the Oregon State Police shall furnish to the Director of the Oregon State Lottery and the Assistant Director for Security such information as may tend to assure security, integrity, honesty and fairness in the operation and administration of the state lottery as the office of the Attorney General and the Oregon State Police may have in their possession, including, but not limited to, manual or computerized information and data.

(2) For the purpose of requesting and receiving the information described in subsection (1) of this section, the Oregon State Lottery Commission is a state agency and a criminal justice agency and its enforcement agents are peace officers pursuant to ORS 181.010 to 181.705 and rules adopted thereunder.

(3) Enforcement agents, designated as such by the commission, shall have the same authority with respect to service and execution of warrants of arrest and search warrants as is conferred upon peace officers of this state. [1985 c.2 §2(11), (12); 1985 c.302 §2(11), (12)]

461.120 Commission exempt from certain laws; rulemaking; applicability of Administrative Procedures Act. (1)(a) Except as otherwise provided by law, the provisions of ORS chapters 279, 282 and 283 do not apply to the Oregon State Lottery Commission unless otherwise provided by this chapter.

(b) Officers and employees of the Oregon State Lottery Commission are in the exempt service for purposes of ORS chapter 240 and other related statutes.

(c) ORS 276.004 (2), 276.021, 276.037, 276.093 to 276.097, 276.410 to 276.426, 276.428, 276.440, 291.038, 291.202 to 291.260, 291.355 and 292.210 to 292.250 do not apply to the Oregon State Lottery Commission.

(d) ORS 293.075, 293.190, 293.205 to 293.225 and 293.275 do not apply to the Oregon State Lottery Commission.

(e) ORS 279.053, 659.010 to 659.110 and 659.505 to 659.545 apply to the Oregon State Lottery Commission.

(f) Notwithstanding paragraph (a) of this subsection, the provisions of ORS 282.210 shall apply to the Oregon State Lottery Commission.

(2) The commission shall, in accordance with ORS 183.310 to 183.550, adopt and enforce rules to carry out the provisions of this chapter. [1985 c.2 §2(13), (14); 1985 c.302 §2(13), (14); 1991 c.76 §2]

461.130 Authority of commission; delegation; contracts for security services. (1) Whenever a power is granted to the commission, the power may be exercised by such officer or employee within the Oregon State Lottery as is designated in writing by the commission. Any such designation shall be filed in the office of the Secretary of State.

(2) The commission shall contract with the Department of State Police to obtain necessary security services. A contract is not intended to preclude the assistance of other law enforcement agencies as the need arises.

(3) The commission shall have the authority to conduct investigations, including the authority to issue subpoenas to compel the attendance of witnesses and documents, to take testimony under oath, to take depositions within or outside the state and to require answers to interrogations. [1985 c.302 §2 (15) to (17)]

461.140 Biennial budget report to Legislative Assembly. (1) The Oregon State Lottery Commission shall prepare in each even-numbered year a budget report for the biennium beginning July 1 of the following year.

(2) The commission estimates and requests and appropriation measures shall be prepared in a manner approved by the Legislative Fiscal Officer.

(3) Not later than November 10 of each even-numbered year, the commission shall cause its budget estimates and requests to be made available to the Governor, the Legislative Fiscal Officer and to the Legislative Revenue Officer. Before December 1, the Legislative Fiscal Officer or staff and the Legislative Revenue Officer or staff shall not reveal to any other person the contents or nature of the budget and other materials, except with the written consent of the commission.

(4) The commission shall furnish the Legislative Assembly any further information required concerning its budget. The commission, upon request, shall furnish a representative to assist the Legislative Assembly, its Joint Committee on Ways and Means, appointed under ORS 171.555, and the Legislative Revenue Officer in the consideration of its budget and any accompanying measures.

(5) In all other respects the budget of the Oregon State Lottery Commission shall be treated in the same manner as the budgets of all other state agencies. [1985 c.302 §15]

(State Lottery Director)

461.150 State lottery director; appointment; assistant directors; duties and powers. (1) The Governor shall appoint a director, subject to confirmation by the Senate, who shall serve at the pleasure of the Governor. The director shall implement and operate a state lottery pursuant to the rules, and under the guidance, of the commission.

(2) The director shall be qualified by training and experience to direct the operations of a state-operated lottery. No person shall be appointed as lottery director who has been convicted of a felony or any gambling related offense.

(3) The director shall receive such salary as may be set by the commission with the approval of the Governor, and shall be reimbursed for all expenses actually and necessarily incurred in the performance of official duties. The director shall render full-time service to the duties of office.

(4) The director shall, subject to the approval of the commission, perform all duties, exercise all powers and jurisdiction, assume and discharge all responsibilities and carry out and effect the purposes of this chapter. The director shall act as secretary and executive officer of the commission. The director shall supervise and administer the operation of the state lottery in accordance with this chapter, and the rules adopted by the commission. In all decisions, the director shall take into account the particularly sensitive nature of the state lottery, and shall act to promote and insure integrity, security, honesty and fairness of the operation and administration of the state lottery.

(5) The director shall recommend to the commission the establishment of rules pertaining to the employment, termination and compensation of all commission staff. The rules shall conform to generally accepted personnel practices based upon merit principles. Under the rules so established, the director may set the compensation, prescribe the duties and supervise persons so hired. The director may terminate or otherwise discipline persons so hired. No person shall be employed by the state lottery who has been convicted of a felony or any gambling related offense.

(6) If a lottery employee transfers to a state agency that is subject to ORS chapter

240, the employee is entitled to transfer accrued sick leave, adjusted if necessary to reflect the accrual rate in use for management and unrepresented employees under rules of the Personnel Division.

(7) Subject to approval of the commission, the director may appoint, prescribe the duties of and terminate or otherwise discipline no more than four assistant directors as the director deems necessary. The compensation of each assistant director shall be established by the director subject to approval of the commission. The director shall supervise the assistant directors.

(8) The director and each assistant director shall file a verified statement of economic interest with the Oregon Government Ethics Commission and shall be subject to the provisions of ORS chapter 244. [1985 c.2 §3(1) to (7); 1985 c.302 §3(1) to (8)]

461.160 Authority of director to contract for services. Under the rules of the commission, the director may contract with any state agency or political subdivision for the performance of such duties, functions and powers as the director considers appropriate. [1985 c.302 §7(8)]

461.170 Coordination between director and commission. The director shall confer as frequently as necessary or desirable, but not less than monthly, with the commission, regarding the operation and administration of the state lottery. The director shall make available for inspection by the commission, upon request, all books, records, files and other information and documents of the state lottery, and shall advise the commission and recommend such matters as deemed necessary and advisable to improve the operation and administration of the state lottery. [1985 c.2 §3(9), 1985 c.302 §3(10)]

461.180 Studies; accountability; audits. (1) The director shall make an ongoing study of the operation and the administration of the lotteries which may be in operation in other states or countries, of available literature on the subject, of federal laws which may affect the operation of the state lottery and of the reaction of citizens of the state to existing or proposed features in lottery games, with a view toward recommending improvements that will tend to serve the purposes of this chapter. The director may make recommendations to the commission, Governor and Legislative Assembly on any matters concerning the secure and efficient operation and administration of the state lottery and the convenience of the purchasers of tickets and shares.

(2) The director shall make and keep books and records which accurately and fairly reflect each day's transactions, including but not limited to, the distribution of tickets or shares to lottery game retailers, receipt of funds, prize claims, prize disbursements or prizes liable to be paid, expenses and all other financial transactions involving state lottery funds necessary so as to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain daily accountability.

(3) The director shall make a monthly financial report to the commission, and upon request provide copies of such reports to the Governor, the Attorney General, the Secretary of State, the State Treasurer and the Legislative Assembly. Such report shall include a full and complete statement of state lottery revenues, prize disbursements, expenses, net revenues and all other financial transactions involving state lottery funds for the month.

(4) After the first six months of sales of tickets or shares to the public, the director shall engage an independent firm experienced in demographic analysis to conduct a special study which shall ascertain the demographic characteristics of the players of each lottery game, including but not limited to their income, age, sex, education and frequency of participation. This report shall be presented to the commission, the Governor, the Attorney General, the Secretary of State, the State Treasurer and the Legislative Assembly. Similar studies shall be conducted after the first such study from time to time as determined by the director.

(5) After the first full year of sales of tickets or shares to the public, the director shall engage an independent firm experienced in the analysis of advertising, promotion, public relations, incentives, public disclosures of odds and numbers of winners in lottery games and other aspects of communications to conduct a special study of the effectiveness of such communications activities by the state lottery and make recommendations to the commission on the future conduct and future rate of expenditure for such activities. This report shall be presented to the commission, the Governor, the Attorney General, the Secretary of State, the State Treasurer and the Legislative Assembly. Until the presentation of such report and action by the commission, the state lottery shall expend as close to three and one-half percent as practical of the projected sales of all tickets and shares for advertising, promotion, public relations, incentives, public disclosures of odds and numbers of winners in lottery games and other aspects of communications. Similar studies shall be conducted from time to time after the first such study as determined by the director.

(6) After the first nine months of sales of tickets or shares to the public, the commission shall engage an independent firm experienced in security procedures, including but not limited to computer security and systems security, to conduct a comprehensive study and evaluation of all aspects of security in the operation of the state lottery. Such study shall include, but not be limited to, personnel security, lottery game retailer security, lottery contractor security, security of manufacturing operations of lottery contractors, security against ticket counterfeiting and alteration and other means of fraudulently winning, security of drawings among entries or finalists, computer security, data communications security, data base security, security in distribution, security involving validation and payment procedures, security involving unclaimed prizes, security aspects applicable to each particular lottery game, security of drawings in lottery games where winners are determined by drawings of numbers, the completeness of security against locating winners in lottery games with preprinted winners by persons involved in their production, storage, distribution or sale and any other aspects of security applicable to any particular lottery game and to the state lottery and its operations. The portion of the report containing the overall evaluation of the state lottery in terms of each aspect of security shall be presented to the commission, the Governor, the Attorney General, the Secretary of State, the State Treasurer and the Legislative Assembly. Notwithstanding other provisions of state law, the portion of the report containing specific recommendations shall be confidential and shall be presented only to the commission, the Governor and the director. Similar studies of security shall be conducted biannually thereafter.

(7) The director may delegate to any of the employees of the Oregon State Lottery the exercise or discharge in the director's name of any power, duty or function of whatever character, vested in or imposed by law upon the director. The official act of any such person so acting in the director's name and by the authority of the director shall be considered to be an official act of the director. [1985 c.2 §3(10) to (16); 1985 c.302 §3(11) to (17); 1991 c.30 §2]

461.190 Assistant director for security. The Assistant Director for Security appointed pursuant to the Constitution of the State of Oregon and this chapter shall be responsible for a security division to assure integrity, security, honesty and fairness in the operation and administration of the state lottery, including but not limited to, an examination of the background of all prospective employees, lottery game retailers, lottery vendors and lottery contractors. The Assistant Director for Security shall be qualified by training and experience, including at least five years of law enforcement experience, and knowledge and experience in computer security, to fulfill these responsibilities. The Assistant Director for Security shall, in conjunction with the director, confer with the Attorney General or designee as the Assistant Director of Security deems necessary and advisable to promote and insure integrity, security, honesty and fairness of the operation and administration of the state lottery. The Assistant Director for Security, in conjunction with the director, shall report any alleged violation of law to the Attorney General and any other appropriate law enforcement authority for further investigation and action. [1985 c.2 §3(8); 1985 c.302 §3(9)]

OPERATION OF LOTTERY

461.200 Operation of lottery. Within 105 days after the confirmation by the Senate of the director and at least three commissioners, the director shall begin public sales of tickets or shares. The lottery shall be initiated and shall continue to be operated so as to produce the maximum amount of net revenues to benefit the public purpose described in section 4, Article XV of the Constitution of the State of Oregon, commensurate with the public good. Other state government departments, boards, commissions, agencies and their officers shall cooperate with the lottery commission so as to aid the lottery commission in fulfilling these objectives. [1985 c.2 §4(1); 1985 c.302 §4(1); 1985 c.458 §1(1); 1985 c.520 §1(1)]

461.210 Security measures; ticket content; rules. Upon recommendation of the director, the Oregon State Lottery Commission shall adopt rules specifying the types of lottery games to be conducted by the lottery, provided:

(1) Each lottery game shall contain security measures that are designed to prevent the redemption of fraudulent tickets. Every lottery ticket or stub printed after September 29, 1991, shall include a lottery fact which refers to a specific lottery funded project or the benefits and jobs created for a specific area of economic activity.

(2) No name of an elected official shall appear on the tickets of any lottery game. [1985 c.2 §4(2); 1985 c.302 §4(2); 1985 c.458 §1(2); 1985 c.520 §1(2); 1991 c.76 §1; 1991 c.613 §1; 1991 c.962 §1]

461.213 Sports-related lottery games. (1) The Oregon State Lottery Commission shall establish an electronic lottery game or games that are based upon the results of sporting events, the net proceeds from which shall be transferred to the Executive Depart-

ment Economic Development Fund for allocation as provided in ORS 461.543 (4) and (5). For the purposes of this section, games that are based on the results of greyhound or horse races shall not be considered to be games which are based upon the results of sporting events.

(2) The Oregon State Lottery Commission shall separately record and account for the costs and net proceeds of electronic games operated under this section and ORS 461.543 (4) and (5). At such time as the commission makes the quarterly transfer of net proceeds provided for by ORS 461.540, it shall certify to the Executive Department the amount of such transfer which represents the net proceeds of games provided for in subsection (1) of this section. [1989 c.828 §4 (1), (2); 1991 c.345 §1; 1991 c.613 §3]

461.215 Video lottery games. (1) The Oregon State Lottery Commission may initiate a game or games using video devices, the proceeds from which shall be transferred to the Executive Department Economic Development Fund for allocation as provided by law.

(2) In the approval and purchase of video lottery games, game terminals and equipment, the lottery commission and any game operator, distributor, retailer or owner shall prefer goods or services that have been manufactured in this state if price, fitness and quality are otherwise equal.

(3) The lottery commission shall separately record and account for the costs and net proceeds of games operated under this section. At such time as the lottery commission makes the quarterly transfer of net proceeds provided for by ORS 461.540, it shall certify to the Executive Department the amount of such transfer which represents the net proceeds of games provided for in subsection (1) of this section.

(4) Video lottery terminals operated under authority of the lottery commission are specifically exempted from the provisions of 15 U.S.C.§§ 1171 to 1177. [1989 c.828 §6; 1991 c.461 §80; 1991 c.962 §2]

461.217 Video lottery game regulation; limitation on placement of terminals. (1) A video lottery game terminal that offers a video lottery game authorized by the Director of the Oregon State Lottery shall be placed for operation only on the premises of an establishment that has a contract with the state lottery as a video lottery game retailer. The terminal must be within the control of an employee of the video lottery game retailer. It shall not be placed in any other business or location.

(2) A video lottery game terminal shall be placed only on the premises of an establishment licensed by the Oregon Liquor Control Commission with a Class "A" dispenser, Class "B" dispenser, Retail Malt Beverage, Restaurant or Seasonal dispenser license. A video lottery game terminal shall be placed only in that part of the premises that is restricted to minors and that is used primarily for the consumption of alcoholic beverages.

(3) No more than five video lottery machines shall be placed in or on premises described in subsection (2) of this section. [1991 c.962 §10]

461.220 Number and value of prizes; rules; advertising. Upon recommendation of the director, the commission shall adopt rules which specify the number and value of prizes for winning tickets or shares in each lottery game including, without limitation, cash prizes, merchandise prizes, prizes consisting of deferred payments or annuities and prizes of tickets or shares in the same lottery game or other lottery games conducted by the lottery, provided:

(1) In lottery games utilizing tickets, the close approximation of the odds of winning some prize or some cash prize as appropriate for such lottery game shall be printed on each ticket;

(2) A detailed tabulation of the estimated number of prizes of each particular prize denomination that are expected to be awarded in each lottery game and the close approximation of the odds of winning such prizes, shall be available at each location at which tickets or shares in such lottery games are offered for sale to the public; and

(3) All television, radio and newspaper advertising of lottery games made pursuant to ORS 461.180 (5) shall include a disclaimer explaining the odds of winning some prize in the following words: "The odds of winning some prize are one in (some number)" where the number stated represents a close approximation of the odds of winning some prize. However, this subsection does not apply to advertising the purpose of which is to advertise the location where tickets may be purchased or to provide information about the winners. [1985 c.2 §4(3); 1985 c.302 §4(3); 1985 c.458 §1(3); 1985 c.520 §1(3); 1991 c.63 §1]

461.230 Method for determining winners. Upon recommendation of the director, the commission shall adopt rules which specify the method for determining winners in each lottery game, provided:

(1) If a lottery game utilizes a drawing of winning numbers, a drawing among entries or a drawing among finalists, such drawings shall always be open to the public; such drawings shall be witnessed by an independent certified public accountant; any equipment used in such drawings must be

inspected by the independent certified public accountant and an employee of the lottery both before and after such drawings; and such drawings and such inspections shall be recorded on both video and audio tape.

(2) The lottery may use any of a variety of existing future methods or technologies in determining winners. [1985 c.2 §4(4); 1985 c.302 §4(4); 1985 c.458 §1(4); 1985 c.520 §1 (4); 1991 c.613 §2]

461.240 Sale price of tickets and shares; rules. Upon recommendation of the director, the commission shall adopt rules specifying the retail sales price for each ticket or share for each lottery game. However, no ticket or share shall be sold for more than the retail sales price established by the commission. [1985 c.2 §4 (5); 1985 c.302 §4 (5); 1985 c.458 §1 (5); 1985 c.520 §1 (5); 1989 c.418 §2]

461.250 Validation and payment of prizes; tabulation of sales and prizes; prizes not assignable; claim period; ineligibility of lottery employees; rules. Upon recommendation of the director, the commission shall adopt rules to establish a system of verifying the validity of tickets or shares claimed to win prizes and to effect payment of such prizes, provided:

(1) For the convenience of the public, lottery game retailers may be authorized by the commission to pay winners of up to $5,000 after performing validation procedures on their premises appropriate to the lottery game involved.

(2) No prize shall be paid to any person under 18 years of age.

(3) No prize may be paid arising from claimed tickets or shares that are stolen, counterfeit, altered, fraudulent, unissued, produced or issued in error, unreadable, not received or not recorded by the lottery by applicable deadlines, lacking in captions that confirm and agree with the lottery play symbols as appropriate to the lottery game involved or not in compliance with such additional specific rules or with public or confidential validation and security tests of the lottery appropriate to the particular lottery game involved.

(4) No particular prize in any lottery game may be paid more than once, and in the event of a binding determination that more than one claimant is entitled to a particular prize, the sole remedy of such claimants is the award to each of them of an equal share in the prize.

(5) The commission may specify that winners of less than $25 claim such prizes from either the same lottery game retailer who sold the winning ticket or share or from the lottery itself and may also specify that the lottery game retailer who sold the winning ticket or share be responsible for directly paying that prize.

(6) Holders of tickets or shares shall have the right to claim prizes for one year after the drawing or the end of the lottery game or play in which the prize was won. The commission may define shorter time periods to claim prizes and for eligibility for entry into drawings involving entries or finalists. If a valid claim is not made for a prize payable directly by the lottery commission within the applicable period, the unclaimed prize shall remain the property of the commission and shall be allocated to the benefit of the public purpose.

(7) The right of any person to a prize shall not be assignable, except that payment of any prize may be paid to the estate of a deceased prize winner or to a person designated pursuant to an appropriate judicial order. The director, commission and state shall be discharged of all liability upon payment of a prize.

(8) A ticket or share shall not be purchased by, and a prize shall not be paid to, a member of the commission, the director, the assistant directors or any employee of the state lottery or to any spouse, child, brother, sister or parent of such person. [1985 c.2 §4(6); 1985 c.302 §4(6); 1985 c.458 §1(6); 1985 c.520 §1(6); 1987 c.268 §1; 1991 c.22 §1; 1991 c.613 §4]

461.260 Distribution of tickets and shares; rules. Upon recommendation of the director, the commission shall adopt rules specifying the manner of distribution, dissemination or sale of lottery tickets or shares to lottery game retailers or directly to the public, and the incentives, if any, for lottery employees, if any, engaged in such activities. [1985 c.2 §4(7); 1985 c.302 §4(7); 1985 c.458 §1(7); 1985 c.520 §1(7)]

LOTTERY GAME RETAILERS

461.300 Selection of retailers; contracts. (1) The commission shall adopt rules specifying the terms and conditions for contracting with lottery game retailers so as to provide adequate and convenient availability of tickets or shares to prospective buyers of each lottery game as appropriate for each such game. The foregoing shall not preclude the lottery from selling tickets or shares directly to the public.

(2)(a) The director shall, pursuant to this chapter, and the rules of the commission, select as lottery game retailers such persons as deemed to best serve the public convenience and promote the sale of tickets or shares. No person under the age of 18 shall be a lottery game retailer. In the selection of a lottery game retailer, the director shall consider factors such as financial responsi-

bility, integrity, reputation, accessibility of the place of business or activity to the public, security of the premises, the sufficiency of existing lottery game retailers for any particular lottery game to serve the public convenience and the projected volume of sales for the lottery game involved.

(b) Prior to the execution of any contract with a lottery game retailer, the lottery game retailer shall disclose to the lottery the names and addresses of the following:

(A) If the lottery game retailer is a corporation, the officers, directors and each stockholder in such corporation; except that, in the case of stockholders of publicly held equity securities of a publicly traded corporation, only the names and addresses of those known to the corporation to beneficially own five percent or more of such securities need be disclosed.

(B) If the lottery game retailer is a trust, the trustee and all persons entitled to receive income or benefit from the trust.

(C) If the lottery game retailer is an association, the members, officers and directors.

(D) If the lottery game retailer is a subsidiary, the officers, directors and each stockholder of the parent corporation thereof; except that, in the case of stockholders of publicly held equity securities of a publicly traded corporation, only the names and addresses of those known to the corporation to beneficially own five percent or more of such securities need be disclosed.

(E) If the lottery game retailer is a partnership or joint venture, all of the general partners, limited partners or joint venturers.

(F) If the parent company, general partner, limited partner or joint venturer of any lottery game retailer is itself a corporation, trust association, subsidiary, partnership or joint venturer, then all of the information required in this section shall be disclosed for such other entity as if it were itself a lottery game retailer to the end that full disclosure of ultimate ownership be achieved.

(G) If any member of the immediate family of any lottery game retailer is involved in the lottery game retailer's business in any capacity, then all of the information required in this section shall be disclosed for such immediate family member as if the family member were a lottery game retailer.

(c) The commission may refuse to grant a lottery game retail contract to any lottery game retailer or any natural person whose name is required to be disclosed under paragraph (b) of this subsection, who has been convicted of violating any of the gambling laws of this state, general or local, or has been convicted at any time of any crime. The lottery may require payment by each lottery game retailer to the lottery of an initial nonrefundable application fee or an annual fee, or both, to maintain the contract to be a lottery game retailer.

(d) No person shall be a lottery game retailer who is engaged exclusively in the business of selling lottery tickets or shares. A person lawfully engaged in nongovernmental business on state or political subdivision property or an owner or lessee of premises which lawfully sells alcoholic beverages may be selected as a lottery game retailer. State agencies, except for the state lottery, political subdivisions or their agencies or departments may not be selected as a lottery game retailer. The director may contract with lottery game retailers on a permanent, seasonal or temporary basis.

(3) The authority to act as a lottery game retailer shall not be assignable or transferable.

(4) The director may terminate a contract with a lottery game contractor for such bases of termination as shall be included in such contract, which bases shall include, but not be limited to, the knowing sale of lottery tickets or shares to any person under the age of 18 years. [1985 c.2 §5(1) to (4); 1985 c.302 §5(1) to (4)]

461.310 Compensation for retailers. Upon recommendation of the director, the commission shall determine the compensation to be paid to lottery game retailers for their sales of lottery tickets or shares. Until the commission shall otherwise determine, the compensation paid to lottery game retailers shall be five percent of the retail price of the tickets or shares plus an incentive bonus of one percent based on attainment of sales volume or other objectives specified by the director for each lottery game. In cases of a lottery game retailer whose rental payments for premises are contractually computed in whole or in part, on the basis of a percentage of retail sales, and where such computation of retail sales is not explicitly defined to include sales of tickets or shares in a state-operated lottery, the compensation received by the lottery game retailer from the lottery shall be deemed to be the amount of the retail sale for the purposes of such contractual computation. [1985 c.2 §5(5); 1985 c.302 §5(5)]

461.330 Display of certificate of authority; bond or letter of credit; payments for tickets or shares. (1) No lottery tickets or shares shall be sold by a lottery game retailer unless the lottery game retailer has on display on the premises a certificate of authority signed by the director to sell lottery tickets or shares.

(2) The director may require a bond or an irrevocable letter of credit issued by a commercial bank as defined in ORS 706.005 from any lottery game retailer in an amount specified in the state lottery rules adopted by the commission or may purchase a blanket bond or a blanket letter of credit issued by a commercial bank as defined in ORS 706.005 covering the activities of all or a selected group of lottery game retailers.

(3) No payment by lottery game retailers to the lottery for tickets or shares shall be in cash. All such payments shall be in the form of a check, bank draft, electronic fund transfer or other recorded financial instrument as determined by the director. [1985 c.2 §5(7) to (9); 1985 c.302 §5(7) to (9); 1991 c.331 §66]

LOTTERY VENDORS AND CONTRACTORS

461.400 Procurements. Notwithstanding other provisions of law, the director may purchase or lease such goods or services as are necessary for effectuating the purposes of this chapter. The commission may not contract with any private party or nongovernmental entity for the operation and administration of the state lottery established by this chapter. However, the foregoing shall not preclude procurements which integrate functions such as lottery game design, supply of goods and services, advertising and public relations. In all procurement decisions, the director and Oregon State Lottery Commission shall take into account the particularly sensitive nature of the state lottery, shall consider the lottery's potential contribution to the development of and citizen's access to the state's telecommunications infrastructure, and shall act to promote and insure integrity, security, honesty and fairness in the operation and administration of the state lottery and the objective of raising net revenues for the benefit of the public purpose described in section 4, Article XV of the Constitution of the State of Oregon. [1985 c.2 §6(1); 1985 c.302 §6(1); 1991 c.962 §11]

461.410 Vendor disclosure for major procurements. (1) In order to allow an evaluation by the state lottery of the competence, integrity, background, character and nature of the true ownership and control of lottery vendors, any person who submits a bid, proposal or offer as part of a procurement for a contract for the printing of tickets used in any lottery game, any goods or services involving the receiving or recording of number selection in any lottery game, or any goods or services involving the determination of winners in any lottery game, which are hereby referred to as major procurements, shall first disclose at the time of submitting such bid, proposal or offer to the state lottery all of the following items:

(a) A disclosure of the lottery vendor's name and address and, as applicable, the name and address of the following:

(A) If the vendor is a corporation, the officers, directors and each stockholder in such corporation; except that, in the case of stockholders of publicly held equity securities of a publicly traded corporation, only the names and addresses of those known to the corporation to beneficially own 15 percent or more of such securities need be disclosed.

(B) If the vendor is a trust, the trustee and all persons entitled to receive income or benefit from the trust.

(C) If the vendor is an association, the members, officers and directors.

(D) If the vendor is a subsidiary, the officers, directors and each stockholder of the parent corporation thereof; except that, in the case of stockholders of publicly held equity securities of a publicly traded corporation, only the names and addresses of those known to the corporation to beneficially own 15 percent or more of such securities need be disclosed.

(E) If the vendor is a partnership or joint venture, all of the general partners, limited partners or joint venturers.

(F) If the parent company, general partner, limited partner or joint venturer of any vendor is itself a corporation, trust, association, subsidiary, partnership or joint venture, then all of the information required in this section shall be disclosed for such other entity as if it were itself a vendor to the end that full disclosure of ultimate ownership be achieved.

(G) If any member of the immediate family of any vendor is involved in the vendor's business in any capacity, then all of the information required in this section shall be disclosed for such immediate family member as if the family member were a vendor.

(H) If the vendor subcontracts any substantial portion of the work to be performed to a subcontractor, then all of the information required in this section shall be disclosed for such subcontractor as if it were itself a vendor.

(I) The persons or entities in subparagraphs (A) to (H) of this paragraph, along with the vendor itself, shall be referred to as control persons.

(b) A disclosure of all the states and jurisdictions in which each control person does business, and the nature of that business for each such state or jurisdiction.

(c) A disclosure of all the states and jurisdictions in which each control person has contracts to supply gaming goods or services, including, but not limited to, lottery goods and services and the nature of the goods or services involved for each such state or jurisdiction.

(d) A disclosure of all the states and jurisdictions in which each control person has applied for, has sought renewal of, has received, has been denied, has pending or has had revoked a gaming license of any kind, and the disposition of such in each such state or jurisdiction. If any gaming license has been revoked or has not been renewed or any gaming license application has been either denied or is pending and has remained pending for more than six months, all of the facts and circumstances underlying this failure to receive such a license must be disclosed.

(e) A disclosure of the details of any conviction or judgment of a state or federal court of each control person of any felony and any other criminal offense other than traffic offenses.

(f) A disclosure of the details of any bankruptcy, insolvency, reorganization or any pending litigation of each control person.

(g) A disclosure for each control person who is a natural person of employment, residence, education and military history since the age of 18 years, and any federal, state or local elective position ever held by such person.

(h) A disclosure consolidating all reportable information on all reportable contributions by each control person to any local, state or federal political candidate or political committee in this state for the past five years that is reportable under any existing state or federal law.

(i) A disclosure of the identity of any entity with which each control person has a joint venture or other contractual arrangement to supply any state or jurisdiction with gaming goods or services, including a disclosure with regard to such entity of all of the information requested under paragraphs (a) to (h) of this subsection.

(j) A disclosure consisting of financial statements of the lottery vendor for the past three years.

(k) A disclosure of any economic interest as contemplated by ORS 244.060 to 244.080, known to the lottery vendor to be held by any of the persons named in ORS 244.050 (1)(a), any lottery commissioner, the lottery director, or the assistant directors of the state lottery, in any lottery vendor or its control persons.

(L) Such additional disclosures and information as the director may determine to be appropriate for the procurement involved.

(2) No contract for a major procurement with any vendor who has not complied with the disclosure requirements described in this section for each of its control persons shall be entered into or be enforceable. Any contract with any lottery contractor who does not comply with such requirements for periodically updating such disclosures from each of its control persons during the tenure of such contract as may be specified in such contract may be terminated by the commission. [1985 c.2 §6(2); 1985 c.302 §6(2)(a) to (m)]

461.420 Contract with vendor convicted of crime prohibited. No contract for a major procurement with any lottery vendor shall be entered into if any control person of that lottery vendor has been convicted of a crime, unless, after investigation, the finding of the commission determines that the crime bears no relationship to the lottery vendor's ability to perform honestly in carrying out the contract. [1985 c.2 §6(2)(m); 1985 c.302 §6(2)(n)]

461.430 Contractor required to comply with applicable laws; performance bond. (1) Each lottery contractor shall perform its contract consistent with the laws of this state, federal law, and laws of the state or states in which such lottery contractor is performing or producing, in whole or in parts, any of the goods or services contracted for hereunder.

(2) Each lottery contractor for the printing of tickets used in any lottery game, for providing goods or services involving the receiving or recording of number selections in any lottery game or for providing goods or services involving the determination of winners in any lottery game shall, at the time of executing the contract with the commission, post a performance bond with the commission, using a surety acceptable to the commission, in an amount acceptable to the commission. [1985 c.2 §6(3), (4); 1985 c.302 §6(3), (4); 1989 c.418 §1]

461.440 Commission's authority to contract; rules. Subject to rules adopted by the commission, the director may enter into all contracts necessary to accomplish the purposes of this chapter. The rules shall cover contracts for materials, supplies, equipment, services and professional services and to the extent that is reasonable shall follow the public policy of open competitive procurement. The commission shall also consider security, competence, experience, timely performance and maximization of net revenues in developing rules governing procurement actions. All contract awards for

major procurements shall be approved by the commission. [1985 c.2 §6(5); 1985 c.302 §6(5)]

461.445 Policy on payment to contractors. In establishing its schedule of payments to contractors, the Oregon State Lottery Commission shall undertake to develop a system that maximizes the net revenue to the state for the public purpose consistent with providing a reasonable rate of return for contractors. [1991 c.962 §12]

Note: 461.445 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 461 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

LOTTERY FINANCES

461.500 Lottery to be self-supporting; allocation of revenues. (1) Except for such moneys as are necessary to temporarily fund the start-up of the state-operated lottery established by the Constitution of the State of Oregon and this chapter, the state lottery shall operate as a self-supporting revenue-raising agency of state government and no appropriations, loans or other transfers of state funds shall be made to it.

(2) At least 84 percent of the total annual revenues from the sale of state lottery tickets or shares shall be returned to the public in the form of prizes and net revenues benefiting the public purpose described in section 4, Article XV of the Constitution of the State of Oregon. At least 50 percent of the total annual revenues shall be returned to the public in the form of prizes as described in this chapter. All unclaimed prize money shall remain the property of the commission and shall be allocated to the benefit of the public purpose. No more than 16 percent of the total annual revenues shall be allocated for payment of expenses of the state lottery as described in this chapter. To the extent that expenses, including the contingency reserve, of the state lottery are less than 16 percent of the total annual revenues as described in this chapter, any surplus funds shall also be allocated to the benefit of the public purpose. [1985 c.2 §1(4) (5); 1985 c.302 §1(4), (5)]

461.510 State Lottery Fund; types of disbursements. (1) All money payable to the commission shall be deposited in an account known as the State Lottery Fund. The State Lottery Fund shall receive all proceeds from the sale of lottery tickets or shares, the temporary loan for initial start-up costs, interest and all other moneys credited to the state lottery from any other lottery-related source. The State Lottery Fund is continuously appropriated for the purpose of administering and operating the commission and the state lottery.

(2) Disbursements shall be made from the State Lottery Fund for any of the following purposes:

(a) The payment of prizes to the holders of valid winning lottery tickets or shares;

(b) Expenses of the commission and the state lottery;

(c) Repayment of any funds advanced from the temporary loan for initial start-up costs and the interest on any such funds advanced; and

(d) Transfer of funds from the State Lottery Fund to the benefit of the public purpose described in section 4, Article XV of the Constitution of the State of Oregon.

(3) As nearly as practical, at least 50 percent of the total projected revenue, computed on a year-round basis, accruing from the sales of all state lottery tickets or shares shall be apportioned for payment of prizes.

(4) Expenses of the state lottery shall include all costs incurred in the operation and administration of the state lottery and all costs resulting from any contracts entered into for the purchase or lease of goods or services required by the commission including, but not limited to, the costs of supplies, materials, tickets, independent audit services, independent studies, data transmission, advertising, promotion, incentives, public relations, communications, compensation paid to lottery game retailers, bonding for lottery game retailers, printing, distribution of tickets and shares, reimbursing other governmental entities for services provided to the state lottery, transfers to a contingency reserve, and for any other goods and services necessary for effectuating the purposes of this chapter. No more than 16 percent of the total annual revenues accruing from the sale of all lottery tickets and shares from all lottery games shall be allocated for the payment of the expenses of the state lottery. The commission shall determine the amount necessary for a reasonable contingency reserve within the amount allocated for payment of expenses.

(5) The state lottery shall pay all prizes and all of its expenses out of the revenues it receives from the sale of tickets and shares to the public and turn over the net proceeds therefrom to a fund to be established by the Legislative Assembly from which the Legislative Assembly shall make appropriations for the benefit of the public purpose described in section 4, Article XV of the Constitution of the State of Oregon. [1985 c.2 §7(1) to (5); 1985 c.302 §7(1) to (5); 1987 c.268 §2; 1989 c.966 §52]

461.520 Establishment of checking accounts and petty cash fund. (1) The director is authorized to establish in the State Treasury checking accounts as may be re-

quired to disburse by check the payment of any disbursement authorized by ORS 461.510 (2) from the State Lottery Fund as well as any transfer to the State Lottery Fund as may be required.

(2) Notwithstanding the provisions of ORS 461.510 (1), the director is authorized to direct the deposit of any and all moneys payable to the commission to the credit of any checking account in the State Treasury created for processing State Lottery Fund moneys.

(3) The commission is authorized to establish a petty cash fund in an amount not to exceed $1,000 from any funds made available to the commission. The petty cash fund shall operate in accordance with the procedures defined in ORS 293.180. [1985 c.302 §7(6)]

461.530 Oregon State Lottery Fund. There is hereby created within the General Fund the Oregon State Lottery Fund which is continuously appropriated for the purpose of administering and operating the commission and the state lottery. [1985 c.2 §1(6); 1985 c.302 §1(6)]

461.535 Intercollegiate Athletic Fund. The Intercollegiate Athletic Fund is created separate and distinct from the General Fund. The fund shall consist of revenues credited to the Sports Lottery Account under ORS 461.213 and 461.543 (4) and (5) and any other revenues available to the fund. [1989 c.828 §1; 1991 c.461 §81; 1991 c.962 §3]

461.540 Executive Department Economic Development Fund. There hereby is established in the General Fund of the State Treasury the Executive Department Economic Development Fund. All moneys transferred from the State Lottery Fund, interest earnings credited to this fund and other moneys authorized to be transferred to this fund from whatever source are appropriated continuously for the public purpose of creating jobs and furthering economic development in Oregon. [1985 c.302 §7(7)]

461.543 Sports Lottery Account; distribution of revenues. (1) Except as otherwise specified in subsection (5) of this section, the Sports Lottery Account is continuously appropriated to and shall be used by the State Board of Higher Education to fund sports programs at state institutions of higher education. Seventy percent of the revenues in the fund shall be used to fund nonrevenue producing sports and 30 percent shall be used for revenue producing sports. Of the total amount available in the fund, at least 50 percent shall be made available for women's athletics.

(2) The State Board of Higher Education shall allocate moneys in the Sports Lottery Account among the institutions of higher education under its jurisdiction giving due consideration to:

(a) The athletic conference to which the institution belongs and the relative costs of competing in that conference.

(b) The level of effort being made by the institution to generate funds and support from private sources.

(3) As used in subsections (1) to (3) of this section, "revenue producing sport" is a sport that produces net revenue over expenditures during a calendar year or if its season extends into two calendar years, produces net revenue over expenditures during the season.

(4) An amount equal to the net proceeds of games provided for in ORS 461.213 (1) shall be allocated from the Executive Department Economic Development Fund to the Sports Lottery Account.

(5) The amounts received by the Sports Lottery Account shall be allocated as follows:

(a) Eighty-eight percent for the purposes specified in subsections (1) to (3) of this section, but not to exceed $8 million annually, adjusted annually pursuant to the Consumer Price Index, as defined in ORS 327.006.

(b) Twelve percent for the purpose of scholarships, to be distributed equally between scholarships based on academic merit and scholarships based on need, as determined by rule of the State Board of Higher Education, but not to exceed $1,090,909 annually.

(c) After the maximum allowable allocations under paragraphs (a) and (b) of this subsection are made, the next $3 million annually to the State Scholarship Commission for scholarships, as defined and administered in ORS 344.355.

(d) All additional money to the State Scholarship Commission for the need grant program. [1989 c.828 §§2, 4 (3) and (4); 1991 c.461 §82; 1991 c.780 §28]

Note: The amendments to 461.543 by section 28, chapter 780, Oregon Laws 1991, become operative June 30, 1992. See section 38, chapter 780, Oregon Laws 1991. The text that is operative until June 30, 1992, is set forth for the user's convenience.

461.543. (1) Except as otherwise specified in subsection (5) of this section, the Sports Lottery Account is continuously appropriated to and shall be used by the State Board of Higher Education to fund sports programs at state institutions of higher education. Seventy percent of the revenues in the fund shall be used to fund nonrevenue producing sports and 30 percent shall be used for revenue producing sports. Of the total amount available in the fund, at least 50 percent shall be made available for women's athletics.

(2) The State Board of Higher Education shall allocate moneys in the Sports Lottery Account among the institutions of higher education under its jurisdiction giving due consideration to:

(a) The athletic conference to which the institution belongs and the relative costs of competing in that conference.

(b) The level of effort being made by the institution to generate funds and support from private sources.

(3) As used in subsections (1) to (3) of this section, "revenue producing sport" is a sport that produces net revenue over expenditures during a calendar year or if its season extends into two calendar years, produces net revenue over expenditures during the season.

(4) An amount equal to the net proceeds of games provided for in ORS 461.213 (1) shall be allocated from the Executive Department Economic Development Fund to the Sports Lottery Account.

(5) The amounts received by the Sports Lottery Account shall be allocated as follows:

(a) Eighty-eight percent for the purposes specified in subsections (1) to (3) of this section, but not to exceed $8 million annually, adjusted annually pursuant to the Consumer Price Index, as defined in ORS 327.075.

(b) Twelve percent for the purpose of scholarships, to be distributed equally between scholarships based on academic merit and scholarships based on need, as determined by rule of the State Board of Higher Education, but not to exceed $1,090,909 annually.

(c) After the maximum allowable allocations under paragraphs (a) and (b) of this subsection are made, the next $3 million annually to the State Scholarship Commission for scholarships, as defined and administered in ORS 344.355.

(d) All additional money to the State Scholarship Commission for the need grant program.

461.544 Use of proceeds of video lottery games. (1) All net proceeds from video lottery games shall be allocated to the Executive Department Economic Development Fund.

(2) An amount equal to the net proceeds of video lottery games after filling the requirements of sections 72 and 74, chapter 461, Oregon Laws 1991, shall be allocated to the Capital Construction Trust Fund.

(3) As used in ORS 285.653, 461.215, 461.535, 461.543, 461.544, 461.555 and 777.267:

(a) "Gross receipts from lottery games" means the amount of money inserted into video lottery games plus the value of any free game prizes used by players for subsequent games.

(b) "Net receipts from video lottery games" means the amount of money that is received from the operation of video lottery games and devices after the payment of prizes but prior to any other payment. [1991 c.461 §§1, 78]

Note: 461.544 to 461.548, 461.555 and 461.725 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 461 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

Note: Section 13, chapter 962, Oregon Laws 1991, provides:

Sec. 13. Study of cost of operation of video lottery game. (1) The Oregon State Lottery Commission shall contract for an outside review of the cost of operation of video lottery games and the division of video lottery proceeds between total compensation paid to contractors and moneys available to the state for allocation. This report shall examine the costs and rates of return on video lottery machines and of the provision of space and services for the operation of such machines. This analysis shall be completed and submitted to the lottery commission not later than December 1, 1992. This review shall include an analysis of alternative arrangements for operating video lottery games.

(2) After considering the findings and recommendations of this report, the lottery commission shall modify its provisions for the payments to contractors. [1991 c.962 §13]

461.545 [1989 c.828 §7; repealed by 2992 c.461 §79 and 1991 c.962 §15]

461.546 Distribution of certain video lottery revenues to counties. (1) An amount equal to six percent of the net revenue of video lottery games in the county shall be distributed to the county as administrative expenses to be expended as follows:

(a) Three percent for gaming law enforcement; and

(b) Three percent for community mental health programs to treat gambling addiction.

(2) The county shall enter into an intergovernmental agreement with cities in the county for the purpose of providing gaming law enforcement in the cities. [1991 c.962 §2a]

Note: See note under 461.544.

461.548 Video lottery proceeds to be treated separately from other lottery proceeds. Notwithstanding any other provision of law, the Oregon State Lottery Commission shall meet the constitutional requirements for prizes and administrative costs separately for video and all other lottery games. The lottery commission shall not intermingle the results of video lottery games for the purpose of calculating the allowable limit on administrative expenses of other lottery games. [1991 c.962 §14]

Note: See note under 461.544.

461.550 Expenditure limitation not applicable to lottery. All expenditures from the State Lottery Fund or the fund established by the Legislative Assembly to disburse net lottery proceeds are exempt from any state expenditure limitation. [1985 c.302 §8(8)]

461.555 Capital Construction Trust Fund; sources; uses. (1) There is established in the State Treasury a Capital Construction Trust Fund separate and distinct from the General Fund. Interest on the fund shall accrue to the fund.

(2) The fund shall consist of amounts allocated to it from the Executive Department Economic Development Fund.

(3) The fund is to be used to meet capital construction costs. [1991 c.461 §77]

Note: See note under 461.544.

461.560 Taxation of sales and prizes. No state or local taxes shall be imposed upon the sale of lottery tickets or shares of the state lottery established by this chapter or any prize awarded by the state lottery established by this chapter. [1985 c.2 §8(1); 1985 c.302 §8(1)]

PROHIBITED CONDUCT

461.600 Sales to minors. No tickets or shares in lottery games shall be sold to persons under the age of 18 years. In the case of lottery tickets or shares sold by lottery game retailers or their employees, such persons shall establish safeguards to help assure that such sales are not made to persons under the age of 18 years. In the case of sales of tickets or shares sold by vending machines or other devices, the commission shall establish safeguards to help assure that such vending machines or devices are not operated by persons under the age of 18 years. [1985 c.2 §5(6); 1985 c.302 §5(6)]

MISCELLANEOUS

461.700 Additional disclosure requirements; costs of investigation. (1) Any person required to submit disclosure information under this chapter, in addition to the requirements specifically listed in this chapter, shall also submit for each individual the true name, as well any other name used, date of birth, place of birth, Social Security number, current residence address, and residence address for the last 10 years, current marital status including how long, spouse's name, address, date of birth and Social Security number. The person required to disclose must submit an individual sworn statement as to any criminal convictions and the nature thereof. The sworn statement must also contain authorization for the Attorney General and the Assistant Director for Security to confirm with the Oregon Department of Revenue and the United States Internal Revenue Service the truthfulness of the sworn statement with regard to tax matters. The commission shall develop a disclosure form which identifies the information required to be disclosed, including a certification that the information provided is correct. The form shall be sworn and bear the warning that the applicant bears responsibility for excessive investigation costs and that the providing of false information constitutes the crime of false swearing under ORS 162.075 which is a Class A misdemeanor.

(2) If the costs of investigation of any applicant exceeds the usual costs of such investigations, the applicant shall be billed for the excessive costs. The payment thereof shall be credited to the State Lottery Fund as a reimbursement of administrative costs. [1985 c.302 §14]

461.710 [Formerly 284.430; renumbered 280.518 in 1991]

461.715 Holding of certain lottery prizes for child support; procedure. (1) The Oregon State Lottery Commission, by rule, shall develop procedures whereby a lottery prize in excess of $600 that is won by a person who is in arrears in a court ordered child support obligation shall not be paid out to the person but shall be held for a minimum of 30 days in order to allow support enforcement entities to institute garnishment proceedings. The rules shall provide that:

(a) Upon presentation of a ticket or share for payment of a prize in excess of $600, the name and social security number of the ticket or share holder shall be checked against a computer data base containing the names and social security numbers of obligors who are delinquent in paying child support obligations.

(b) When the ticket or share holder is listed in the data base, the lottery commission shall:

(A) Place a 30-day hold on the prize;

(B) Inform the ticket or share holder of the hold; and

(C) Notify the Adult and Family Services Division of the Department of Human Resources that a delinquent obligor has won a lottery prize.

(c) If a garnishment proceeding is initiated within the 30-day hold period, the lottery commission shall continue to hold the prize pending disposition of the proceeding.

(d) If a garnishment proceeding is not initiated within the 30-day hold period, the prize shall be paid to the ticket or share holder at the end of the 30-day hold period.

(2) The lottery commission shall establish a computer link with the Adult and Family Services Division computer data base that contains the names of delinquent child support obligors. The only information available to the lottery commission through the computer link shall be whether the name and social security number of a lottery prize winner are on the delinquent child support obligor data base.

(3) The Support Enforcement Division of the Department of Justice and the Adult and Family Services Division of the Department of Human Resources shall assist the Oregon State Lottery Commission in developing the procedures required by subsections (1) and (2) of this section. [1991 c.613 §§6, 7]

461.720 [1985 c.829 §1; 1987 c.506 §27; renumbered 171.845 in 1991]

461.725 Enforcement officers to enforce prohibition on gray machines. Out of the funds available to the Oregon State Lottery Commission to meet the administrative expenses of the Oregon State Lottery, the lottery commission shall employ or contract for at least three undercover enforcement officers to enforce the prohibition on gray machines imposed by ORS 162.305, 164.377, 166.715, 167.117, 167.164, 167.166, 167.715, 461.210, 461.215, 461.217, 461.400, 461.445, 461.535, 461.546, 461.548, 461.725 and 464.250. [1991 c.962 §18]

Note: See note under 461.544.

461.730 [1989 c.909 §49; renumbered 447.255 in 1991]

Note: Sections 1 and 2, chapter 778, Oregon Laws 1989, as amended by chapter 105, Oregon Laws 1991, provide:

Sec. 1. Hiring of job trainees by firms receiving lottery-funded benefits. (1) It is the policy of the State of Oregon that any firm receiving benefit from state lottery-funded programs should undertake a good faith effort to hire and retain as employees low-income individuals who have received job training assistance from publicly funded job training providers.

(2) The Economic Development Department may require any firm receiving benefit from state lottery-funded programs the department administers to enter into a first-source hiring agreement with publicly funded job training providers.

(3) Publicly funded job training providers shall coordinate their services and establish an agreement outlining the process by which they will respond to firms receiving benefit. This agreement shall be submitted to the department for its review and approval.

(4) As used in this section:

(a) "Firm receiving benefit" means any business that benefits directly or substantially from any program financed by state lottery funds and is certified as such a firm by the state agency that administers the lottery-funded program.

(b) "First-source hiring agreement" means an agreement between a firm receiving benefits and a publicly funded job training provider whereby the job provider refers qualified candidates to the firm for new jobs and job openings, excluding professional, managerial, technical and seasonal positions which the Director of the Economic Development Department determines cannot be filled by persons likely to be referred by publicly funded job training providers.

(c) "Publicly funded job training provider" includes, but is not limited to, community colleges, Job Training Partnership Act service providers and other similar programs. [1989 c.778 §1; 1991 c.105 §1]

Sec. 2. This Act [Chapter 778, Oregon Laws 1989] is repealed June 30, 1993. [1989 c.778 §2; 1991 c.105 §2]