

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 2212
Committee Substitute Favorable 7/6/06
Third Edition Engrossed 7/6/06
Senate Appropriations/Base Budget Committee Substitute Adopted 7/18/06

Short Title: Lottery Oversight Committee.

(Public)

Sponsors:

Referred to:

May 18, 2006

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THE LOTTERY OVERSIGHT COMMITTEE.

The General Assembly of North Carolina enacts:

SECTION 1. Article 8 of Chapter 18C of the General Statutes is amended by adding a new section to read:

"§ 18C-172. Lottery Oversight Committee.

(a) Creation and Membership. – The Lottery Oversight Committee is established. The Committee shall be located administratively in the General Assembly. The Committee shall consist of nine members appointed as provided below. In making appointments, each appointing officer shall select members who have appropriate experience and knowledge of the issues to be examined by the Committee and shall strive to ensure racial, gender, and geographical diversity among the membership.

(1) Three members shall be appointed by the Speaker of the House of Representatives, at least one being an educator and at least one being a person trained or experienced in financial management.

(2) Three members shall be appointed by the President Pro Tempore of the Senate, at least one being an educator and at least one being a person trained or experienced in financial management.

(3) Three members shall be appointed by the Governor, at least one being an educator and at least one being a person trained or experienced in financial management.

(b) Terms. – Terms on the Committee are for three years and begin on January 1, except the terms of the initial members, which begin on appointment and end December 31, 2008. A member continues to serve until a successor is appointed. A vacancy shall be filled within 30 days by the officer who made the original appointment.

(c) Duties. – The Committee shall:

- 1 (1) Call for reports and presentations from the following parties and
2 convene for the purpose of hearing from the following parties:
3 a. The North Carolina State Lottery Commission.
4 b. The State Treasurer.
5 c. The Department of Public Instruction.
6 d. The State Educational Assistance Authority.
7 e. Local governments providing public education.
8 f. Other parties participating in the net revenues of the Lottery
9 under Article 7 of this Chapter.

- 10 (2) Analyze, prepare, and publish recommendations, based on the
11 information received under subdivision (1) of this subsection,
12 concerning whether expenditures of the net revenues of the Lottery
13 have been in accordance with Article 7 of this Chapter. The North
14 Carolina State Lottery Commission shall publish on its Web site
15 information requested by the Committee to be posted.

16 (d) Reports. – The Committee shall report semiannually to the Joint Legislative
17 Commission on Governmental Operations.

18 (e) Organization. – The President Pro Tempore of the Senate and the Speaker of
19 the House of Representatives shall each designate a cochair of the Committee. The
20 Committee shall meet at least once a quarter upon the joint call of the cochairs. A
21 quorum of the Committee is six members. No action may be taken except by a majority
22 vote at a meeting at which a quorum is present.

23 (f) Funding. – From funds available to the General Assembly, the Legislative
24 Services Commission shall allocate monies to fund the work of the Committee.
25 Members of the Committee shall receive subsistence and travel expenses as provided in
26 G.S. 120-3.1 and G.S. 138-5.

27 (g) Staff. – The Legislative Services Commission, through the Legislative
28 Services Officer, shall assign professional staff to assist the Committee in its work.
29 Upon the direction of the Legislative Services Commission, the Directors of Legislative
30 Assistants of the Senate and of the House of Representatives shall assign clerical staff to
31 the Committee. The expenses for clerical employees shall be borne by the Committee."

32 **SECTION 2.** G.S. 18C-115 reads as rewritten:

33 "**§ 18C-115. Reports.**

34 The Commission shall send quarterly and annual reports on the operations of the
35 Commission to the Governor, State Treasurer, the Lottery Oversight Committee, and to
36 the General Assembly. The reports shall include complete statements of lottery
37 revenues, prize disbursements, expenses, net revenues, and all other financial
38 transactions involving lottery funds, including the occurrence of any audit."

39 **SECTION 3.** This act is effective when it becomes law.