

Stricken language would be deleted from and underlined language would be added to present law.

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

As Engrossed: S3/9/11 S3/24/11

A Bill

SENATE BILL 909

5 By: Senator J. Key
6 By: Representative Perry
7

For An Act To Be Entitled

9 AN ACT TO AMEND PROVISIONS OF THE ARKANSAS
10 SCHOLARSHIP LOTTERY ACT CONCERNING SCHOLARSHIP AWARD
11 AMOUNTS AND MANAGEMENT OF CERTAIN CAPITAL ASSETS OF
12 THE ARKANSAS LOTTERY *COMMISSION; TO DECLARE AN*
13 *EMERGENCY; AND FOR OTHER PURPOSES.*
14
15

Subtitle

16
17 *TO AMEND PROVISIONS OF THE ARKANSAS*
18 *SCHOLARSHIP LOTTERY ACT CONCERNING*
19 *SCHOLARSHIP AWARD AMOUNTS AND MANAGEMENT*
20 *OF CERTAIN CAPITAL ASSETS OF THE ARKANSAS*
21 *LOTTERY COMMISSION; AND TO DECLARE AN*
22 *EMERGENCY.*
23
24

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
26

27 SECTION 1. Arkansas Code § 6-85-212(e), concerning the award amounts
28 for the Arkansas Academic Challenge Scholarship Program -- Part 2, is amended
29 to read as follows:

30 *(e)(1)(A) The scholarship award amount under this subchapter for an*
31 *academic year for a full-time recipient enrolled in a four-year approved*
32 *institution of higher education ~~is five thousand dollars (\$5,000)~~ shall be*
33 *calculated by the Department of Higher Education using a formula based on a*
34 *projection of the number of eligible students enrolling in the next academic*
35 *year that provides an aggregate scholarship awards amount that:*

36 *(i)(a) Is equal to or less than:*



1 (i) The available net proceeds; plus
2 (ii) The general revenue available from the
3 Higher Education Grants Fund for Arkansas Academic Challenge Scholarships
4 under § 6-85-101 et seq. and this subchapter; and less

5 (b) The amount allocated for scholarships for
6 nontraditional students under this subsection; and

7 (ii) Results in a positive balance for the aggregate
8 scholarship awards amount for four (4) years for all recipients.

9 ~~(B)(i) The Department of Higher Education shall~~
10 ~~award an aggregate amount of scholarship awards to current achiever students~~
11 ~~beginning with the 2010-2011 academic year of up to forty-one million five~~
12 ~~hundred thousand dollars (\$41,500,000).~~

13 ~~(ii) The department~~ Department of Higher Education
14 ~~shall not accept new applications for scholarships for current achiever~~
15 ~~students under this subdivision (e)(1)(B) § 6-85-209 after June 1, 2012.~~

16 ~~(C) After deducting the amount committed for current~~
17 ~~achiever student scholarships from the amount available under subdivision~~
18 ~~(e)(1)(B) of this section, the department shall use the balance to fund~~
19 ~~scholarships to nontraditional students under this subchapter.~~

20 (2)(A) The department shall award an aggregate amount of
21 scholarship awards to nontraditional students beginning with the 2010-2011
22 academic year of twelve million dollars (\$12,000,000), ~~excluding any funding~~
23 ~~for nontraditional student scholarships under subdivision (e)(1)(C) of this~~
24 ~~section.~~

25 (B)(i) The department shall return to the Arkansas Lottery
26 Commission the excess funding, if any, for scholarship awards the department
27 received under § 23-115-801.

28 (ii) The commission shall deposit any funds received
29 from the department under this subdivision (e)(2)(B) into a trust account
30 established under § 23-115-801(b).

31 (C) Priority for scholarships awarded to nontraditional
32 students and current achiever students is based on the applicant's level of
33 progress toward completion of a certificate, an associate degree, nursing
34 diploma, or a baccalaureate degree, or on other criteria established by the
35 department.

36 (3) The scholarship award for a full-time student enrolled in a

1 two-year approved institution of higher education is one-half ($\frac{1}{2}$) of the
2 scholarship award amount for a full-time undergraduate student enrolled in a
3 four-year approved institution of higher education.

4 (4) The scholarship award amount for a part-time student
5 recipient shall be:

6 (A) One-half ($\frac{1}{2}$) of the award amount for a full-time
7 student recipient, if the recipient is enrolled in at least six (6) semester
8 hours but less than nine (9) semester hours; or

9 (B) Three-quarters ($\frac{3}{4}$) of the award amount for a full-time
10 student recipient, if the recipient is enrolled in at least nine (9) semester
11 hours but less than the number of hours required for a full-time student
12 recipient;.

13
14 SECTION 2. Arkansas Code § 23-115-103, concerning the definitions used
15 in the Arkansas Scholarship Lottery Act, is amended to add additional
16 subdivisions to read as follows:

17 (27)(A) "Multistate or multisovereign lottery" and "multistate
18 or multisovereign game" mean a lottery or game:

19 (i) Provided by an association or group of state-
20 operated or sovereign-operated lotteries that is:

21 (a) Organized for the purpose of government
22 benefit; and

23 (b) Wholly owned and operated by the member
24 lotteries under a mutual agreement, contract, or compact; and

25 (ii) Operated pursuant to the terms of the
26 association's or group's rules governing the operation and the payment of
27 prizes of the game.

28 (B) "Multistate or multisovereign lottery" and "multistate
29 or multisovereign game" do not include a lottery prohibited or excluded under
30 this chapter;

31 (28) "Prize promotion" means an action taken to enhance the play
32 for an individual game by one (1) or more of the following:

33 (A) Funding player affinity programs to promote play of a
34 particular instant or online game;

35 (B) Enriching the prize for an instant or online game;

36 (C) Instituting player incentives for an individual game;

1 (D) Instituting retailer commission incentives for an
2 individual game; or

3 (E) Funding supplemental advertising expenses related to
4 enhancing the promotion of an individual game; and

5 (29)(A) "Unclaimed lottery prize money" means a lottery prize
6 expense on the financial books of the commission that is released from the
7 expense category when a lottery prize is not claimed within the required
8 claim period for the game during a fiscal year.

9 (B) With respect to a multistate or multisovereign game,
10 "unclaimed lottery prize money":

11 (i) Includes any unclaimed prize money returned to
12 the commission from a multistate or multisovereign game; and

13 (ii) Does not include unclaimed prize money from a
14 multistate or multisovereign game that under the agreement of the states
15 participating in the multistate or multisovereign game is not returned to the
16 participating states but is applied under the terms of the agreement.

17
18 SECTION 3. Arkansas Code § 23-115-403(g), concerning unclaimed lottery
19 prize money, is amended to read as follows:

20 (g)(1) ~~Unclaimed lottery prize money shall be added to net lottery~~
21 ~~proceeds~~ During a fiscal year, the commission may expend up to two million
22 five hundred thousand dollars (\$2,500,000) of unclaimed lottery prize money
23 for one (1) or more of the following:

24 (A) Increasing the pool from which future lottery prizes
25 are to be awarded;

26 (B) Maintaining online game reserves at a fiscally sound
27 level; or

28 (C) Prize promotion.

29 (2) On the last day of each fiscal year, the commission shall
30 deposit into the trust account for net lottery proceeds the amount of
31 unclaimed lottery prize money existing at the end of the fiscal year less one
32 million dollars (\$1,000,000).

33 (3) The commission shall include in its monthly reports to the
34 Arkansas Lottery Commission Legislative Oversight Committee the following
35 monthly and year-to-date amounts:

36 (A) Unclaimed lottery prize money;

1 (B) Expenditures from unclaimed lottery prize money; and
2 (C) Deposits to net lottery proceeds from unclaimed
3 lottery prize money.
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5 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the
6 General Assembly of the State of Arkansas that increasing the number of
7 Arkansans who obtain postsecondary credentials is critical to the economic
8 health of the state and its citizens; that the Arkansas Scholarship Lottery
9 provides the opportunity for tens of thousands of Arkansans to obtain
10 postsecondary education; that the deadline for scholarship applications is
11 June 1; that the financial integrity of the Arkansas Scholarship Lottery is
12 critical to the continued existence of the scholarships; that the reporting
13 and research provisions of this act are critical for timely decisions by the
14 General Assembly on scholarship awards; and that this act is immediately
15 necessary because the Department of Higher Education must promulgate rules to
16 implement this act well before June 1, 2011, in order to provide eligible
17 Arkansans the opportunity to apply for the scholarship. Therefore, an
18 emergency is declared to exist and this act being immediately necessary for
19 the preservation of the public peace, health, and safety shall become
20 effective on:

21 (1) The date of its approval by the Governor;

22 (2) If the bill is neither approved nor vetoed by the Governor,
23 the expiration of the period of time during which the Governor may veto the
24 bill; or

25 (3) If the bill is vetoed by the Governor and the veto is
26 overridden, the date the last house overrides the veto.
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28 /s/J. Key
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