

# House Research Act Summary

**CHAPTER:** 233

**SESSION:** 2004 Regular Session

**TOPIC:** State Lottery

**Date:** May 21, 2004

**Analyst:** Mark Shepard, 651-296-5051

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: [www.house.mn/hrd](http://www.house.mn/hrd).

---

## Overview

Makes several changes relating to the operation of the State Lottery:

- Provides that the director of the State Lottery serves at the pleasure of the governor.
- Requires the lottery director to submit a budget plan to the commissioner of finance.

Creates a Lottery Organization Task Force to study and make recommendations regarding the organization and profitability of the State Lottery.

### Section

- 1 Expense allowance.** Authorizes an annual expense allowance of up to \$1,500 for the director of the state lottery. This is identical to the allowance provided in current law for other state constitutional officers and commissioners.
- 2 Director.** Provides that the director of the State Lottery serves at the pleasure of the governor. (Under current law, the director of the lottery may be removed only after notice and a hearing, and only for reasons specified in section 349A.02, subdivision 2, which is repealed by this bill). Strikes a requirement that the director must be qualified by experience and training in the operation of a lottery.
- 3 Budget.** Requires the lottery director to submit a budget to the commissioner of finance. Requires the governor to recommend the maximum amount available for the lottery in the budget the governor submits to the legislature. Provides that the maximum amount available to the lottery for operating expenses and capital expenditures shall be determined by law. Provides that operating expenses do not include expenses that are a direct function of lottery

**Section**

sales. Requires the lottery director, in appearances before legislative committees, to explain the lottery's plans for future games and the related advertising and promotions.

**4 Report.** Requires the director's annual report to include a statement of capital expenditures, in addition to items already required in the law.

**5 Lottery organization task force.** Creates a Lottery Organization Task Force to study and make recommendations regarding the organization and profitability of the State Lottery. The nine members are: the commissioners of DNR and Finance (or designees); two house members and two senators (including a minority caucus member from each body); the director of the State Lottery; and two members appointed by the governor. Specifies organizational structures for the task force to consider. Provides that the task force shall also examine the feasibility and desirability of establishing measurable performance goals for lottery proceeds and operations. Requires a report to the legislature by February 1, 2005. Provides that the task force expires at the end of the 2005 legislative session.

**6 Operating budget limits.** Amends the limits on state lottery operating expenditures during fiscal years 2004 and 2005, in conjunction with the changes in section 3, providing that "operating expenses" do not include expenses that are a direct function of lottery sales.

**7 Repealer.** Repeals section 349A.02, subdivision 2, which provides grounds for removal of the lottery director and requires notice and a hearing before removal.