



SENATE BILL 1723

By Roberts

AN ACT to amend Tennessee Code Annotated, Title 4;
Title 10 and Title 49, relative to the Tennessee
Education Lottery Corporation.

WHEREAS, the General Assembly finds that the Tennessee Education Lottery Corporation (TELC) serves a vital public purpose in supporting education programs across this State through lottery revenues; and

WHEREAS, the TELC's independent structure requires strong and balanced oversight to ensure accountability, transparency, and continued public trust; and

WHEREAS, the appointment model used by the Tennessee Sports Wagering Council, providing for appointments by the governor, the speaker of the Senate, and the speaker of the House of Representatives, has proven effective in maintaining both independence and accountability; and

WHEREAS, the General Assembly finds it is in the best interest of this State to adopt a similar appointment structure for the TELC's board of directors to strengthen governance and public confidence; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 4-51-103, is amended by deleting the section and substituting instead:

(a) On July 1, 2026, the membership of the board of directors of the corporation is vacated and the board ceases to exist.

(b)

(1) There is created a board of directors to govern the corporation consisting of nine (9) directors, appointed as follows:

(A) Three (3) directors appointed by the governor;

(B) Three (3) directors appointed by the speaker of the senate;

and

(C) Three (3) directors appointed by the speaker of the house of representatives.

(2) The board appointed pursuant to subdivision (b)(1) immediately assumes the full authority of the board vacated pursuant to subsection (a), and all actions, contracts, and obligations of the corporation remain in full force and effect. The reconstituted board shall continue the operations of the corporation without interruption.

(c) All appointments under subsection (b) must be made to ensure diversity of professional expertise, geography, and demographic representation consistent with the mission of the corporation.

(d) The term of each director begins on the date of appointment but must be calculated, for purposes of the term, from July 1, 2026. For purposes of staggering the terms of the board, each appointing authority shall appoint one (1) director to a term of four (4) years, one (1) director to a term of three (3) years, and one (1) director to a term of two (2) years.

(e) After the initial terms, the term of an appointed or reappointed director is four (4) years; provided, that, at the end of the director's term, the director shall continue to serve until a replacement is appointed by the appropriate appointing authority.

(f)

(1) Each director of the board serves at the pleasure of the appointing authority and may be removed with or without cause.

(2) If a director is removed, such vacancy must be filled in the same manner as other vacancies on the board.

(g)

(1) A vacancy on the board must be filled for the balance of the unexpired term in the same manner as the original appointment.

(2) A vacancy in the membership of the board shall not impair the right of the directors to exercise all the powers and perform all the duties of the board.

(h)

(1) A majority of the directors in office constitutes a quorum for the transaction of business and for the exercise of any power or function of the corporation.

(2) Action may be taken and motions and resolutions adopted by the board at a board meeting by the affirmative vote of a majority of present and voting directors.

(i) Directors serve without compensation, but must be reimbursed for per diem and travel expenses in accordance with the comprehensive travel regulations as promulgated by the department of finance and administration and approved by the attorney general and reporter for each day's service spent in the performance of the duties of the corporation.

(j) The directors shall elect from their membership a chair and vice chair. The directors shall also elect a secretary and treasurer who may, from time to time, serve as the acting chief executive officer of the corporation. Such officers shall serve for such terms as are prescribed by the bylaws of the corporation or until their respective successors are elected and qualified. A director of the board shall not hold more than one (1) office of the corporation, except that the same director may serve as secretary

and treasurer. Such officers are eligible for reelection. The chair shall preside at all meetings and have all the powers and privileges of other directors.

(k) The board shall meet at least quarterly, and at other times upon call of the chair or a majority of the directors.

(l)

(1) A director of the board, or a member of their immediate family, shall not have a direct or indirect interest at the time of their appointment, or within a period of two (2) years prior to their appointment, in any undertaking that puts their personal interest in conflict with that of the corporation, including, but not limited to, any interest, through ownership, stock, or otherwise, in a major procurement contract or a participating retailer; provided, that a director, or a member of such director's immediate family, may hold an incidental interest not to exceed one percent (1%) of the outstanding stock of a participating retailer.

(2) A director shall not make a contribution to the campaign of a candidate for the general assembly or to a candidate for governor.

(m) The board of directors may delegate to one (1) or more of its directors, to the chief executive officer, or to any agent or employee of the corporation such powers and duties as it may deem proper.

SECTION 2. Tennessee Code Annotated, Section 4-51-124, is amended by deleting subdivision (a)(9); and is further amended by deleting subsections (b) and (c) and substituting:

(b) Information related to the hiring, employment, retention, performance evaluation, compensation, or contractual terms of the chief executive officer or president of the corporation are public records and subject to title 10, chapter 7; provided, that personally identifying information remains confidential and is subject to redaction pursuant to § 10-7-503(a)(5).

(c) Notwithstanding another law to the contrary and except as provided in subsection (a), the corporation shall comply with all public record and public meeting requirements applicable to state agencies, including, but not limited to, title 10, chapter 7, and title 8, chapter 44.

SECTION 3. Tennessee Code Annotated, Section 4-29-251(a), is amended by adding the following new subdivision:

() Tennessee education lottery corporation, created by § 4-51-101;

SECTION 4. For administrative purposes, the Tennessee Education Lottery Corporation remains an independent instrumentality of this state and is not subject to supervision or control by a department or agency, except as specifically provided by law.

SECTION 5. For purposes of carrying out administrative duties necessary to effectuate this act, this act takes effect upon becoming a law, the public welfare requiring it. For all other purposes, this act takes effect July 1, 2026, the public welfare requiring it.

Amendment No. 1 to SB1723

Jackson
Signature of Sponsor

AMEND Senate Bill No. 1723*

House Bill No. 2080

by deleting SECTION 3 and substituting:

SECTION 3. Tennessee Code Annotated, Section 4-51-129(4)(C), is amended by deleting the subdivision and substituting:

A copy of any audit performed by the comptroller of the treasury or any independent certified public accountant or firm shall be transmitted to the governor, the speaker of the senate, the speaker of the house of representatives, the chairs of the state and local government committee of the senate and the state government committee of the house of representatives, the chair of the senate finance, ways and means committee, the chair of the committee of the house of representatives having jurisdiction over matters pertaining to finance, the state treasurer and, if applicable, the comptroller of the treasury;