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AN ACT limiting State Lottery drawings to two per day per game and amending and supplementing P.L.1970, c.13.

Limits State Lottery drawings to two per day per game.

PRIME Sponsor _____ /_____

CO-Sponsor	District	CO-Sponsor	District

Same as _____ 14/15 Same as _____ 16/17

Suggested allocation: Sec. 1 to: C.5:9-7.2

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AN ACT limiting State Lottery drawings to two per day per game and amending and supplementing P.L.1970, c.13.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. (New section) Notwithstanding the provisions of any other law to the contrary, no State lottery game shall not be authorized or conducted that provides for the drawing or selection of winning numbers on more than two occasions on any calendar day.

2. Section 7 of P.L.1970, c.13 (C.5:9-7) is amended to read as follows:

7. The commission shall have the power, and it shall be its duty:

a. After full and thorough study of the report and recommendations of the State Lottery Planning Commission established pursuant to Joint Resolution Number 11, approved November 20, 1969, and such other pertinent information as may be available, to promulgate such rules and regulations governing the establishment and operation of a State lottery as it deems necessary and desirable in order that the mandate of the people expressed in their approval of the amendment to Article IV, Section VII, paragraph 2, of the Constitution in the general election of November, 1969, may be fully implemented, in order that such a lottery shall be initiated at the earliest feasible and practicable time, and in order that such lottery shall produce the maximum amount of net proceeds for State institutions and State aid for education consonant with the dignity of the State and the general welfare of the people. Such rules and regulations may include, but shall not be limited to, the following:

(1) The type of lottery to be conducted.

(2) The price, or prices, of tickets or shares in the lottery.

(3) The number and sizes of the prizes on the winning tickets or shares.

(4) The manner of selecting the winning tickets or shares.

(5) The manner of payment of prizes to the holders of winning tickets or shares, including, subject to the approval of the State Treasurer, provision for payment of prizes not to exceed $599.00 by agents licensed hereunder out of moneys received from sales of tickets or shares.

(6) The frequency of the drawings or selections of winning tickets or shares, **[**without limitation**]** <u>not to exceed for any game the drawing or selection of winning numbers on more than two occasions on any calendar day</u>.

(7) Without limit as to number, the type or types of locations at which tickets or shares may be sold.

(8) The method to be used in selling tickets or shares.

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined <u>thus</u> is new matter.

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(9) The licensing of agents to sell tickets or shares, provided that no person under the age of 21 shall be licensed as an agent.

(10) The manner and amount of compensation, if any, to be paid licensed sales agents necessary to provide for the adequate availability of tickets or shares to prospective buyers and for the convenience of the public.

(11) The apportionment of the total proceeds accruing from the sale of lottery tickets or shares and from all other sources among (a) the payment of prizes to the holders of winning tickets or shares, (b) the payment of costs incurred in the operation and administration of the lottery, including the expenses of the division and the costs resulting from any contract or contracts entered into for promotional, advertising or operational services or for the purchase or lease of lottery equipment and materials, (c) for the repayment of the money appropriated to the State Lottery Fund pursuant to section 23 of this act, and (d) for transfer to the general fund for State institutions and State aid for education; provided, however, that no less than 30% of the total proceeds accruing from the sale of lottery tickets or shares shall be dedicated to (d) above.

During the term of the lottery contribution made pursuant to section 4 of P.L.2017, c.98 (C.5:9-22.8), the apportionment of the total proceeds accruing from the sale of lottery tickets or shares and from all other sources among (a) the payment of prizes to the holders of winning tickets or shares, (b) the payment of costs incurred in the operation and administration of the Lottery Enterprise, as defined in section 3 of P.L.2017, c.98 (C.5:9-22.7), including the expenses of the division and the costs resulting from any contract or contracts entered into for promotional, advertising, or operational services for the purchase or lease of lottery equipment and materials, and (c) for transfer to the investment account of Common Pension Fund L, for the benefit of retirement systems, as provided in the "Lottery Enterprise Contribution Act," P.L.2017, c.98 (C.5:9-22.5 et al.); provided, however, that no less than 30 percent of the proceeds accruing from the sale of lottery tickets or shares shall be dedicated to the investment account under (c) above.

(12) Such other matters necessary or desirable for the efficient and economical operation and administration of the lottery and the Lottery Enterprise and for the convenience of the purchasers of tickets or shares and the holders of winning tickets or shares.

Notwithstanding the provisions of any other law to the contrary, no rule or regulation establishing a lottery game shall be considered an "administrative rule" or "rule" pursuant to P.L.1968, c. 410 (C. 52:14B-1 et seq.)

b. To amend, repeal, or supplement any such rules and regulations from time to time as it deems necessary or desirable. Notwithstanding any provision of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the contrary, the commission may adopt, immediately upon filing with the Office of

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Administrative Law, such regulations as are necessary to implement the provisions of the "Lottery Enterprise Contribution Act," P.L.2017, c.98 (C.5:9-22.5 et al.), which shall be effective for a period not to exceed 12 months following adoption, and may thereafter be amended, adopted, or readopted by the commission in accordance with the requirements of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

c. To advise and make recommendations to the director regarding the operation and administration of the lottery and the Lottery Enterprise.

d. To report monthly to the Governor and the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), and during the lottery contribution, to the Director of the Division of Investment, the total lottery proceeds, prize disbursements and other expenses for the preceding month, and to make an annual report, which shall include a full and complete statement of lottery proceeds, prize disbursements and other expenses, to the Governor, the Legislature, and during the lottery contribution, the Director of the Division of Investment, including such recommendations for changes in this act as it deems necessary or desirable.

e. To report immediately to the Governor and the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), and during the lottery contribution, to the Director of the Division of Investment, any matters which shall require immediate changes in the laws of this State in order to prevent abuses and evasions of this act or rules and regulations promulgated thereunder or to rectify undesirable conditions in connection with the administration or operation of the lottery and the Lottery Enterprise.

f. To carry on a continuous study and investigation of the lottery and the Lottery Enterprise throughout the State, which may include requiring a financial or operational audit of the Lottery Enterprise, (1) for the purpose of ascertaining any defects in this act or in the rules and regulations issued thereunder by reason whereof any abuses in the administration and operation of the lottery and the Lottery Enterprise or any evasion of this act or the rules and regulations may arise or be practiced, (2) for the purpose of formulating recommendations for changes in this act and the rules and regulations promulgated thereunder to prevent such abuses and evasions, (3) to guard against the use of this act and the rules and regulations issued thereunder as a cloak for the carrying on of organized gambling and crime, and (4) to insure that said law and rules and regulations shall be in such form and be so administered as to serve the true purposes of this act and the "Lottery Enterprise Contribution Act," P.L.2017, c.98 (C.5:9-22.5 et al.).

g. To make a continuous study and investigation of (1) the operation and the administration of similar laws which may be in effect in other states or countries, (2) any literature on the subject which from time to time may be published or available, (3) any Federal laws which may affect the operation of the lottery and the

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Lottery Enterprise, and (4) the reaction of New Jersey residents to existing and potential features of the lottery and the Lottery Enterprise, with a view to recommending or effecting changes that will tend to serve the purposes of this act.
(cf: P.L. 2017, c.98, s.11)

3. This act shall take effect on the 30th day after the date of enactment.

STATEMENT

This bill prohibits any State Lottery game that involves the drawing of winning numbers on more than two occasions on any calendar day. It is intended to prevent lottery games such as the recently-adopted "Quick Draw" which has drawings at intervals of five minutes.

"Quick Draw" was approved by the Lottery Commission as a game to be played primarily in bars, restaurants, bowling alleys, and other locations where players spend time dining or socializing. In the opinion of the sponsor of this bill, this game is fundamentally different from lottery games as contemplated by the framers of the lottery amendment of the State Constitution and is, essentially, an "end run" around the State's gaming laws that needs to be stopped.

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