

ASSEMBLY, No. 549

STATE OF NEW JERSEY 218th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

Sponsored by:

Assemblyman VINCENT MAZZEO

District 2 (Atlantic)

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District 28 (Essex)

SYNOPSIS

Limits State Lottery drawings to two per day per game.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 2/9/2018)

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

3

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

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

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

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

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

32 (1) The type of lottery to be conducted.

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

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

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

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

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

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 thus is new matter.

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

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

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

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

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

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

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

44 Notwithstanding the provisions of any other law to the contrary,
45 no rule or regulation establishing a lottery game shall be considered
46 an "administrative rule" or "rule" pursuant to P.L.1968, c. 410 (C.
47 52:14B-1 et seq.)

1 b. To amend, repeal, or supplement any such rules and
2 regulations from time to time as it deems necessary or desirable.
3 Notwithstanding any provision of the "Administrative Procedure
4 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the contrary, the
5 commission may adopt, immediately upon filing with the Office of
6 Administrative Law, such regulations as are necessary to implement
7 the provisions of the "Lottery Enterprise Contribution Act,"
8 P.L.2017, c.98 (C.5:9-22.5 et al.), which shall be effective for a
9 period not to exceed 12 months following adoption, and may
10 thereafter be amended, adopted, or readopted by the commission in
11 accordance with the requirements of the "Administrative Procedure
12 Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

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

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

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

34 f. To carry on a continuous study and investigation of the
35 lottery and the Lottery Enterprise throughout the State, which may
36 include requiring a financial or operational audit of the Lottery
37 Enterprise, (1) for the purpose of ascertaining any defects in this act
38 or in the rules and regulations issued thereunder by reason whereof
39 any abuses in the administration and operation of the lottery and the
40 Lottery Enterprise or any evasion of this act or the rules and
41 regulations may arise or be practiced, (2) for the purpose of
42 formulating recommendations for changes in this act and the rules
43 and regulations promulgated thereunder to prevent such abuses and
44 evasions, (3) to guard against the use of this act and the rules and
45 regulations issued thereunder as a cloak for the carrying on of
46 organized gambling and crime, and (4) to insure that said law and
47 rules and regulations shall be in such form and be so administered

1 as to serve the true purposes of this act and the "Lottery Enterprise
2 Contribution Act," P.L.2017, c.98 (C.5:9-22.5 et al.).

3 g. To make a continuous study and investigation of (1) the
4 operation and the administration of similar laws which may be in
5 effect in other states or countries, (2) any literature on the subject
6 which from time to time may be published or available, (3) any
7 Federal laws which may affect the operation of the lottery and the
8 Lottery Enterprise, and (4) the reaction of New Jersey residents to
9 existing and potential features of the lottery and the Lottery
10 Enterprise, with a view to recommending or effecting changes that
11 will tend to serve the purposes of this act.
12 (cf: P.L.2017, c.98, s.11)

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

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STATEMENT

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

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