

ASSEMBLY, No. 290

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

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District 2 (Atlantic)

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SYNOPSIS

Requires State Lottery Commission to notify Legislature of proposed State Lottery game prior to commencement of new game.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning notification to Legislature of proposed State
2 Lottery games and amending P.L.1970, c.13.

3

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

6

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

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

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

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

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

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

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

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

37 (6) The frequency of the drawings or selections of winning
38 tickets or shares, without limitation.

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

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

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

44 (10) The manner and amount of compensation, if any, to be paid
45 licensed sales agents necessary to provide for the adequate

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 availability of tickets or shares to prospective buyers and for the
2 convenience of the public.

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

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

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

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

41 b. To amend, repeal, or supplement any such rules and
42 regulations from time to time as it deems necessary or desirable.
43 Notwithstanding any provision of the "Administrative Procedure
44 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the contrary, the
45 commission may adopt, immediately upon filing with the Office of
46 Administrative Law, such regulations as are necessary to implement
47 the provisions of the "Lottery Enterprise Contribution Act,"
48 P.L.2017, c.98 (C.5:9-22.5 et al.), which shall be effective for a

1 period not to exceed 12 months following adoption, and may
2 thereafter be amended, adopted, or readopted by the commission in
3 accordance with the requirements of the "Administrative Procedure
4 Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

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

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

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

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

42 g. To make a continuous study and investigation of (1) the
43 operation and the administration of similar laws which may be in
44 effect in other states or countries, (2) any literature on the subject
45 which from time to time may be published or available, (3) any
46 Federal laws which may affect the operation of the lottery and the
47 Lottery Enterprise, and (4) the reaction of New Jersey residents to
48 existing and potential features of the lottery and the Lottery

1 Enterprise, with a view to recommending or effecting changes that
2 will tend to serve the purposes of this act.
3 h. To notify the Legislature, by way of written correspondence
4 to the Assembly Tourism, Gaming and the Arts Committee, or the
5 appropriate successive committee, and the Senate State
6 Government, Wagering, Tourism and Historic Preservation
7 Committee, or the appropriate successive committee, of any
8 proposed new lottery game at least 45 days prior to introducing the
9 game.
10 (cf: P.L.2017, c.98, s.11)

11
12 2. This act shall take effect immediately.
13
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15 STATEMENT
16

17 This bill would require the State Lottery Commission to notify
18 the Legislature prior to the introduction of any new lottery game.
19 Under the bill, the commission would be required to notify the
20 appropriate Legislative committees in writing at least 45 days in
21 advance of the introduction of any new lottery game. This
22 notification and waiting period would provide the Legislature with
23 time to consider whether the proposed lottery game complies with
24 State law and the State constitution, both of which place restrictions
25 on the conduct of gaming.