

SENATE, No. 2842

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED AUGUST 27, 2020

Sponsored by:

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

Assemblyman JOSEPH V. EGAN

District 17 (Middlesex and Somerset)

SYNOPSIS

Permits raffles to be conducted remotely at large sporting venues.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 9/24/2020)

1 AN ACT permitting raffles to be conducted remotely at large
2 sporting venues and amending P.L.2018, c.79.

3

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

6

7 1. Section 1 of P.L.2018, c.79 (C.5:8-51.6) is amended to read
8 as follows:

9 1. a. It shall be lawful for an organization eligible to conduct
10 raffles in accordance with section 2 of P.L.1954, c.5 (C.5:8-51) and
11 registered and licensed with the Legalized Games of Chance
12 Control Commission to conduct, whether in person or remotely,
13 raffles in a large sporting venue located in a municipality where the
14 provisions of the "Raffles Licensing Law," P.L.1954, c.5 (C.5:8-50
15 et seq.), are operative, provided that all other requirements to
16 conduct raffles are met. To the extent any conflict exists between
17 this act, P.L.2018, c.79 (C.5:8-51.6), and the "Raffles Licensing
18 Law," P.L.1954, c.5 (C.5:8-50 et seq.), then the provisions set forth
19 in this act shall govern.

20 For the purposes of this section, the conduct of the raffle
21 remotely using the Internet or other electronic means shall be
22 deemed to be the conduct of the raffle at the large sporting venue,
23 and shall be deemed to take place only thereat, regardless of any
24 participant's physical location within this State, provided the
25 personnel of the organization conducting the raffle, whether or not
26 through a third-party vendor, is located in the venue at the time of
27 the sale and drawing of any ticket.

28 An organization conducting a raffle at a large sporting venue is
29 subject to the following requirements:

30 (1) The organization conducting the raffle, in conjunction with
31 the large sporting venue, shall announce the winner or winners of a
32 raffle **[during]** on the date on which the **[ticketed]** event **[in]** with
33 which the raffle is **[occurring]** associated occurs. The organization
34 **[and the large sporting venue]** shall post each winning raffle ticket
35 number on **[their respective websites]** its website, if such **[websites**
36 **have]** website has been established, on the same date as the
37 announcement, which number shall be posted for one year or until
38 each winner claims the prize and submits any required
39 documentation. Any prize from a raffle shall be delivered to a
40 claimant verified to have the winning ticket within 30 days of the
41 **[event in which the raffle took place]** announcement; however, if
42 no claimant verified to have the winning ticket claims the prize and
43 signs all reasonably necessary documentation within 30 days of the
44 event at which the raffle took place, the organization conducting the
45 raffle **[at a large sporting venue]** shall hold the proceeds for a

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 period of one year from the date of the raffle. If no claimant with
2 the winning raffle ticket claims the prize and has signed all
3 reasonably necessary documentation within one year from the date
4 of the drawing, then the prize shall be forfeited and shall revert
5 back to the organization for its own authorized use.

6 (2) Any daily and annual limits on the value of prizes contained
7 in existing law or regulation shall not apply to raffles conducted [at
8 large sporting venues] in accordance with this act, P.L.2018, c.79
9 (C.5:8-51.6).

10 (3) On a quarterly basis in accordance with a schedule
11 established by the commission, an organization conducting raffles
12 [in a large sporting venue] in accordance with this act, P.L.2018,
13 c.79 (C.5:8-51.6), shall furnish to the control commission a duly
14 verified statement showing the amount of the gross receipts derived
15 from each raffle held, operated, or conducted in the preceding
16 quarter, which shall include receipts from the sale of shares, tickets,
17 or rights in any manner connected with participation in the raffle or
18 the right to participate therein, each item of expense incurred or
19 paid, and each item of expenditure made or to be made, name and
20 address of each person to whom each such item has been or is to be
21 paid, with a detailed description of the merchandise purchased or
22 the services rendered therefor, the net proceeds derived from each
23 such raffle, and the uses to which such net proceeds have been or
24 are to be applied and a list of prizes offered or given, with the
25 respective values thereof and it shall be the duty of each
26 organization to maintain and keep such books and records as may
27 be necessary to substantiate the particulars of each such report.

28 (4) An organization shall not conduct a raffle remotely unless
29 the organization has received written approval from and is operating
30 the raffle in conjunction with the large sporting venue.

31 b. Notwithstanding section 9 of P.L.1954, c.5 (C.5:8-58), an
32 organization conducting raffles at a large sporting venue may
33 conduct raffles on Sunday. Alcohol may be served at the sporting
34 venue during the conduct of raffles provided that the sporting venue
35 is the holder of a sporting facility license in accordance with
36 R.S.33:1-12, or other appropriate license, to serve alcohol at retail
37 for consumption on the premises by the glass or other open
38 receptacle or in original containers. An organization conducting
39 raffles at a large sporting venue is not required to conduct the
40 drawings openly and in plain view of all players present.

41 c. Tickets for raffles conducted at a large sporting venue may
42 be sold [only by in-person transactions within the geographic area
43 of the large sporting venue] electronically or by the issuance of
44 paper tickets, and, when in person, through devices operated or
45 kiosks staffed by individuals who are employed by or represent the
46 organization conducting the raffle. Tickets for raffles may not be
47 purchased electronically by the public other than through [in-
48 person] transactions with the personnel of the organization

1 conducting the raffle, whether or not such transaction is completed
2 through a third-party vendor. **[In-person transactions]** Transactions
3 between the purchaser and individuals who are employed by or
4 otherwise represent the organization conducting the raffle may be
5 made by cash, credit card, or other electronic payment methods,
6 including, but not limited to, the utilization of Internet or intranet
7 access (Wi-Fi or cellular connectivity) [in the large sporting
8 venue]. The sale and purchase of tickets remotely using the Internet
9 or other electronic means shall be deemed to take place only at the
10 large sporting venue regardless of a purchaser's physical location
11 within this State, provided the personnel of the organization
12 conducting the raffle, whether or not through a third-party vendor,
13 is located in the venue at the time of sale. An organization
14 conducting a raffle remotely using the Internet or other electronic
15 means shall sell tickets only to persons physically located in this
16 State. Tickets for raffles conducted in accordance with this act,
17 P.L.2018, c.79 (C.5:8-51.6), shall not be subject to any ticket price
18 limits set for the general conduct of raffles. Pre-set bundles of
19 tickets may be sold at a discount to participants.

20 d. Pursuant to P.L.2018, c.79 (C.5:8-51.6) and notwithstanding
21 the provisions of subsection b. of section 2 of P.L.1954, c.5 (C.5:8-
22 51), a 50-50 raffle shall have the raffle's net proceeds divided
23 between the raffle winner and the organization conducting the raffle
24 as a prize, and the prize may be awarded to a single participant or
25 may be divided between a pre-determined number of participants.
26 If the prize is to be divided between more than one participant,
27 potential participants shall be made aware of such a division. No
28 more than one 50-50 raffle as described in this subsection shall be
29 conducted during a ticketed event.

30 e. An organization conducting a raffle at a large sporting venue
31 may sell only traditional paper tickets, may use only electronic
32 raffle systems, may use only the Internet or other electronic means,
33 including software applications, or may use a combination of paper
34 and electronic raffle systems. Drawings for all raffles may be
35 conducted either by a traditional drawing of duplicate paper tickets
36 or electronically, with the winner or winners selected by electronic
37 means. For raffles conducted in paper form where winners are
38 chosen electronically or in combination of paper and electronic
39 raffle systems, the paper tickets shall be entered into the electronic
40 raffle system for record-keeping and for drawing purposes so that
41 the purchases of paper tickets have an equal chance of winning as
42 the purchases of electronic rights.

43 f. Notwithstanding the provisions of P.L.1954, c.5 (C.5:8-50 et
44 seq.), or any other law, rule, or regulation to the contrary, an
45 organization conducting a raffle at a large sporting venue shall be
46 permitted to deduct from gross revenues its reasonable costs and
47 expenses of conducting the raffle.

1 g. The commission shall promulgate, pursuant to the
2 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
3 seq.), rules and regulations governing the conduct of raffles
4 remotely using the Internet or other electronic means in accordance
5 with the provisions of this section.

6 h. As used in this section[,] :

7 **["electronic]** “Electronic raffle systems” means hardware,
8 software, including software applications, internet, cellular, or Wi-
9 Fi connected devices and associated devices that enable raffles to be
10 conducted entirely by electronic means, with rights to participate
11 sold electronically by individuals who are employed by or
12 otherwise represent the organization conducting the raffle, that
13 generate a unique electronic entry to the raffle that is the equivalent
14 of a paper ticket, each an electronic ticket which may be delivered
15 to the purchaser electronically, at the point of sale on the premises
16 of the large sporting venue recorded in the electronic raffle system
17 as eligible entries or rights to participate, and winners determined
18 by random drawing from all electronic entries or rights to
19 participate[;]

20 **“large].** “Internet or other electronic means” shall not include
21 electronic raffle systems.

22 “Large sporting venue” means a stadium, arena, or similar venue
23 with minimum seating for 8,000 spectators wherein professional,
24 semi-professional, or collegiate athletes compete in sports or other
25 athletic games and including the parking lots adjacent to and
26 serving the patrons of that venue [; and

27 **“net] .** “Net proceeds” means the gross income from the sale of
28 tickets or rights to participate in a raffle, less only such actual
29 expenses incurred as are authorized in the "Raffles Licensing Law,"
30 P.L.1954, c.5 (C.5:8-50 et seq.), and by the commission.

31 (cf: P.L.2018, c.79, s.1)

32
33 2. An organization eligible to conduct raffles in accordance with
34 section 2 of P.L.1954, c.5 (C.5:8-51) and registered and licensed
35 with the Legalized Games of Chance Control Commission may
36 conduct raffles remotely using the Internet or other electronic
37 means, including mobile, tablet, or other software applications, on
38 or after the date of enactment of this act, P.L. , c. (pending
39 before the Legislature as this bill), but prior to the adoption of the
40 rules and regulations promulgated pursuant to subsection g. thereof,
41 provided the organization is able to ensure, to the greatest extent
42 possible, the fairness, integrity, and security of the conduct of the
43 raffle and the security of the method of receipt of payment for any
44 raffle ticket sale.

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46 3. This act shall take effect immediately.

STATEMENT

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This bill permits raffles to be conducted remotely at large sporting venues. Under current law, an organization otherwise eligible to conduct raffles may conduct a raffle at a large sporting venue, but the tickets may be sold only through in-person transactions.

This bill would permit tickets to be sold and raffles to be conducted remotely, using the Internet or other electronic means, including mobile or tablet applications. The conduct of the raffle and the sale and purchase of tickets remotely using the Internet or other electronic means will be deemed to take place at, and only at, the large sporting venue regardless of a participant's physical location within this State, as long as personnel from the organization are located in the venue at the time of the drawing and the time of sale. An organization conducting a raffle remotely using the Internet or other electronic means may sell tickets only to persons physically located in this State.