

ASSEMBLY, No. 1149

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman COHEN

1 AN ACT concerning the commission paid to State Lottery sales agents
2 and amending P.L.1970, c.13.

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

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

- 25 (1) The type of lottery to be conducted.
26 (2) The price, or prices, of tickets or shares in the lottery.
27 (3) The number and sizes of the prizes on the winning tickets or
28 shares.
29 (4) The manner of selecting the winning tickets or shares.
30 (5) The manner of payment of prizes to the holders of winning
31 tickets or shares, including, subject to the approval of the State
32 Treasurer, provision for payment of prizes not to exceed \$599.00 by

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

Matter underlined thus is new matter.

1 agents licensed hereunder out of moneys received from sales of tickets
2 or shares.

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

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

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

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

10 (10) The manner and amount of compensation[, if any,] to be paid
11 licensed sales agents necessary to provide for the adequate availability
12 of tickets or shares to prospective buyers and for the convenience of
13 the public, except that the amount of compensation shall be no less
14 than six percent of an agent's lottery sales.

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

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

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

36 b. To amend, repeal, or supplement any such rules and regulations
37 from time to time as it deems necessary or desirable.

38 c. To advise and make recommendations to the director regarding
39 the operation and administration of the lottery.

40 d. To report monthly to the Governor and the Legislature the total
41 lottery revenues, prize disbursements and other expenses for the
42 preceding month, and to make an annual report, which shall include a
43 full and complete statement of lottery revenues, prize disbursements
44 and other expenses, to the Governor and the Legislature, and including
45 such recommendations for changes in this act as it deems necessary or
46 desirable.

1 e. To report immediately to the Governor and the Legislature any
2 matters which shall require immediate changes in the laws of this State
3 in order to prevent abuses and evasions of this act or rules and
4 regulations promulgated thereunder or to rectify undesirable
5 conditions in connection with the administration or operation of the
6 lottery.

7 f. To carry on a continuous study and investigation of the lottery
8 throughout the State (1) for the purpose of ascertaining any defects in
9 this act or in the rules and regulations issued thereunder by reason
10 whereof any abuses in the administration and operation of the lottery
11 or any evasion of this act or the rules and regulations may arise or be
12 practiced, (2) for the purpose of formulating recommendations for
13 changes in this act and the rules and regulations promulgated
14 thereunder to prevent such abuses and evasions, (3) to guard against
15 the use of this act and the rules and regulations issued thereunder as
16 a cloak for the carrying on of organized gambling and crime, and (4)
17 to insure that said law and rules and regulations shall be in such form
18 and be so administered as to serve the true purposes of this act.

19 g. To make a continuous study and investigation of (1) the
20 operation and the administration of similar laws which may be in effect
21 in other states or countries, (2) any literature on the subject which
22 from time to time may be published or available, (3) any Federal laws
23 which may affect the operation of the lottery, and (4) the reaction of
24 New Jersey citizens to existing and potential features of the lottery
25 with a view to recommending or effecting changes that will tend to
26 serve the purposes of this act.

27 (cf: P.L.1981, c.182, s.1)

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29 2. This act shall take effect immediately.

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STATEMENT

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34 This bill provides that the commission paid to a State Lottery sales
35 agent shall be no less than six percent of the agent's lottery sales.
36 Current law provides that the Lottery Commission shall have the
37 power and duty to promulgate rules and regulations which may cover
38 the manner and amount of compensation, if any, to be paid licensed
39 sales agents necessary to provide for the adequate availability of
40 tickets to the public. Since the establishment of the State Lottery 24
41 years ago, licensed lottery sales agents have received a five percent
42 commission. The proposed minimum commission would increase
43 lottery sales agents' incentive to continue to provide a valuable service.
44 Net revenues from the State Lottery support State institutions and
45 State aid for education.

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3 Establishes minimum six percent commission for State Lottery sales

4 agents.

WITHDRAWN

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