

LEGISLATIVE FISCAL ESTIMATE TO

[Second Reprint]
SENATE, No. 1762

STATE OF NEW JERSEY

DATED: DECEMBER 23, 1997

Senate Bill No. 1762 (2R) of 1996 allows qualified organizations under the "Raffles Licensing Law," P.L.1954, c.5 (C.5:8-50 et seq.), to conduct Penny auctions. A Penny auction is a type of draw raffle where items of merchandise, but not cash, are raffled by selecting a winning ticket from a container designated for each item. Players purchase tickets and place one or more tickets in a container designated for each item they seek to win. The purpose of the bill is to better assist charitable, civic and service organizations in raising funds for educational, charitable, patriotic, religious and public-spirited purposes. Individuals under the age of 18 would be permitted to participate in such auctions.

The bill directs the Legalized Games of Chance Commission in the Division of Consumer Affairs in the Department of Law and Public Safety to promulgate regulations allowing organizations (1) to offer personal/professional services or gift certificates for live seafood as raffle prizes, (2) to permit discounts for the purchase of two or more tickets and (3) to use a wheel of fortune to determine the winner of a raffle. The bill requires the commission to publish a pamphlet, to be made available to any qualified organization, that describes the rights and responsibilities of organizations conducting raffles. The bill also requires the commission to issue a verbal or written warning before initiating administrative action or bringing charges against an organization for violations relating to raffles. Under current law, the commission is authorized to defray its expenses by establishing licensing fees.

The Office of Legislative Services (OLS) estimates that the cost of this bill to the commission would be minimal. Information provided by the commission indicates that penny auctions are presently conducted in this State by organizations licensed to conduct on-premises draw raffles. OLS notes that the only cost the commission would incur under the terms of this bill is for publication and distribution of the required informational pamphlet to organizations qualified to conduct raffles. The commission estimates that these organizations number 7,000.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.