

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2349

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 5-504, Arizona Revised Statutes, is amended to
3 read:

4 5-504. Commission; director; powers and duties; definitions

5 A. The commission shall meet with the director not less than once each
6 quarter to make recommendations and set policy, receive reports from the
7 director and transact other business properly brought before the commission.

8 B. The commission shall oversee a state lottery to produce the maximum
9 amount of net revenue consonant with the dignity of the state. To achieve
10 these ends, the commission shall authorize the director to adopt rules in
11 accordance with title 41, chapter 6. Rules adopted by the director may
12 include provisions relating to the following:

13 1. Subject to the approval of the commission, the types of lottery
14 games and the types of game play-styles to be conducted.

15 2. The method of selecting the winning tickets or shares for
16 noncomputerized online games, except that no method may be used ~~which~~ THAT,
17 in whole or in part, depends on the results of a dog race, a horse race or
18 any sporting event.

19 3. The manner of payment of prizes to the holders of winning tickets
20 or shares, including providing for payment by the purchase of annuities in
21 the case of prizes payable in installments, except that the commission staff
22 shall examine claims and may not pay any prize based on altered, stolen or
23 counterfeit tickets or based on any tickets ~~which~~ THAT fail to meet
24 established validation requirements, including rules stated on the ticket or
25 in the published game rules, and confidential validation tests applied
26 consistently by the commission staff. No particular prize in a lottery game
27 may be paid more than once, and in the event of a binding determination that
28 more than one person is entitled to a particular prize, the sole remedy of
29 the claimants is the award to each of them of an equal portion of the single
30 prize.

1 4. The method to be used in selling tickets or shares, except that no
2 elected official's name may be printed on such tickets or shares. The
3 overall estimated odds of winning some prize or some cash prize, as
4 appropriate, in a given game shall be printed on each ticket or share.

5 5. The licensing of agents to sell tickets or shares, except that a
6 person who is under eighteen years of age shall not be licensed as an agent.

7 6. The manner and amount of compensation to be paid licensed sales
8 agents necessary to provide for the adequate availability of tickets or
9 shares to prospective buyers and for the convenience of the public, including
10 provision for variable compensation based on sales volume.

11 7. Matters necessary or desirable for the efficient and economical
12 operation and administration of the lottery and for the convenience of the
13 purchasers of tickets or shares and the holders of winning tickets or shares.

14 C. The commission shall authorize the director to issue orders and
15 shall approve orders issued by the director for the necessary operation of
16 the lottery. Orders issued under this subsection may include provisions
17 relating to the following:

18 1. The prices of tickets or shares in lottery games.

19 2. The themes, game play-styles, and names of lottery games and
20 definitions of symbols and other characters used in lottery games, except
21 that each ticket or share in a lottery game shall bear a unique
22 distinguishable serial number.

23 3. The sale of tickets or shares at a discount for promotional
24 purposes.

25 4. The prize structure of lottery games, including the number and size
26 of prizes available. Available prizes may include free tickets in lottery
27 games and merchandise prizes.

28 5. The frequency of drawings, if any, or other selections of winning
29 tickets or shares, except that:

30 (a) All drawings shall be open to the public.

31 (b) The actual selection of winning tickets or shares may not be
32 performed by an employee or member of the commission.

33 (c) Noncomputerized online game drawings shall be witnessed by an
34 independent observer.

35 6. Requirements for eligibility for participation in grand drawings or
36 other runoff drawings, including requirements for the submission of evidence
37 of eligibility within a shorter period than that provided for claims by
38 section 5-518.

1 7. Incentive and bonus programs designed to increase sales of lottery
2 tickets or shares and to produce the maximum amount of net revenue for this
3 state.

4 D. Notwithstanding title 41, chapter 6 and subsection B of this
5 section, the director, subject to the approval of the commission, may
6 establish a policy, procedure or practice that relates to an existing online
7 game or a new online game ~~which~~ THAT is the same type and has the same type
8 of game play-style as an online game currently being conducted by the lottery
9 or may modify an existing rule for an existing online game or a new online
10 game ~~which~~ THAT is the same type and has the same type of game play-style as
11 an online game currently being conducted by the lottery, including
12 establishing or modifying the matrix for an online game by giving notice of
13 the establishment or modification at least thirty days before the effective
14 date of the establishment or modification.

15 E. The commission shall maintain and make the following information
16 available for public inspection at its offices during regular business hours:

17 1. A detailed listing of the estimated number of prizes of each
18 particular denomination expected to be awarded in any instant game currently
19 on sale.

20 2. After the end of the claim period prescribed by section 5-518, a
21 listing of the total number of tickets or shares sold and the number of
22 prizes of each particular denomination awarded in each lottery game.

23 3. Definitions of all play symbols and other characters used in each
24 lottery game and instructions on how to play and how to win each lottery
25 game.

26 F. Any information that is maintained by the commission and that would
27 assist a person in locating or identifying a winning ticket or share or that
28 would otherwise compromise the integrity of any lottery game is deemed
29 confidential and is not subject to public inspection.

30 G. The commission, in addition to other games authorized by this
31 article, shall establish two special games for each year to be conducted
32 concurrently with other lottery games authorized under subsection B of this
33 section. The monies for prizes, for operating expenses and for payment to
34 the commerce and economic development commission fund, as provided in section
35 5-522, subsection A, paragraph 2, shall be accounted for separately as nearly
36 as practicable in the lottery commission's general accounting system. The
37 monies shall be derived from the revenues of the special games, and monies
38 for prizes do not become an expense to the lottery commission's annual

1 appropriation as provided in section 5-505, subsection D and section 5-522,
2 subsection J. Monies saved from the revenues of the special games, by reason
3 of operating efficiencies, shall become other revenue of the lottery
4 commission and revert to the state general fund.

5 H. The commission, in addition to other games authorized by this
6 article, may establish multistate lottery games to be conducted concurrently
7 with other lottery games authorized under subsections B and G of this
8 section. The monies for prizes, for operating expenses and for payment to
9 the local transportation assistance fund, as provided in section 28-8101, and
10 the state general fund shall be accounted for separately as nearly as
11 practicable in the lottery commission's general accounting system. The
12 monies shall be derived from the revenues of multistate lottery games.

13 I. THE COMMISSION, IN ADDITION TO OTHER GAMES AUTHORIZED BY THIS
14 ARTICLE, SHALL ESTABLISH SPECIAL INSTANT TICKET GAMES WITH PLAY AREAS
15 PROTECTED BY PAPER TABS DESIGNATED FOR USE BY CHARITABLE ORGANIZATIONS THAT
16 HAVE BEEN ISSUED A CLASS B OR CLASS C LICENSE FOR THE CONDUCT OF BINGO GAMES
17 PURSUANT TO SECTION 5-413. THE MONIES FOR PRIZES AND FOR OPERATING EXPENSES
18 SHALL BE ACCOUNTED FOR SEPARATELY AS NEARLY AS PRACTICABLE IN THE LOTTERY
19 COMMISSION'S GENERAL ACCOUNTING SYSTEM. TEN PER CENT OF THE REVENUES DERIVED
20 FROM THE SALE OF THE SPECIAL GAMES SHALL BE RETAINED BY THE COMMISSION TO
21 COVER THE LOTTERY'S EXPENSES IN OPERATING THE SPECIAL GAMES. TWENTY-FIVE PER
22 CENT OF THE REVENUES DERIVED FROM THE SALE OF THE SPECIAL GAMES SHALL BE
23 DISTRIBUTED TO CHARITABLE ORGANIZATIONS THROUGH AN OPEN DISTRIBUTION NETWORK
24 ESTABLISHED PURSUANT TO RULES ADOPTED BY THE COMMISSION. THE REMAINDER OF
25 THE REVENUES DERIVED FROM THE SALE OF THE SPECIAL GAMES SHALL BE USED FOR
26 PAYMENT OF PRIZES TO THE HOLDERS OF WINNING TICKETS OR SHARES AND DO NOT
27 BECOME AN EXPENSE TO THE LOTTERY COMMISSION'S ANNUAL APPROPRIATION. MONIES
28 SAVED FROM THE REVENUES OF THE SPECIAL GAMES, BY REASON OF OPERATING
29 EFFICIENCIES, SHALL BECOME OTHER REVENUE OF THE LOTTERY COMMISSION AND REVERT
30 TO THE STATE GENERAL FUND.

31 ~~I.~~ J. The commission or director shall not establish or operate any
32 online or electronic keno game or any game played on the internet.

33 ~~J.~~ K. The commission or director shall not establish or operate any
34 lottery game or any type of game play-style, either individually or in
35 combination, that uses gaming devices or video lottery terminals as those
36 terms are used in section 5-601.02, including monitor games that produce or
37 display outcomes or results more than once per hour.

1 ~~K.~~ L. The director shall print, in a prominent location on each
2 lottery ticket or share, a statement that help is available if a person has a
3 problem with gambling and a toll-free telephone number where problem gambling
4 assistance is available. The director shall require all licensed agents to
5 post a sign with the statement that help is available if a person has a
6 problem with gambling and the toll-free telephone number at the point of sale
7 as prescribed and supplied by the director. The requirements of this
8 subsection apply to tickets and shares printed after July 18, 2000.

9 ~~L.~~ M. For the purposes of this section:

10 1. "Game play-style" means the process or procedure that a player must
11 follow to determine if a lottery ticket or share is a winning ticket or
12 share.

13 2. "Matrix" means the odds of winning a prize and the prize payout
14 amounts in a given game.

15 Sec. 2. Section 5-554, Arizona Revised Statutes, is amended to read:

16 5-554. Commission; director; powers and duties; definitions

17 A. The commission shall meet with the director not less than once each
18 quarter to make recommendations and set policy, receive reports from the
19 director and transact other business properly brought before the commission.

20 B. The commission shall oversee a state lottery to produce the maximum
21 amount of net revenue consonant with the dignity of the state. To achieve
22 these ends, the commission shall authorize the director to adopt rules in
23 accordance with title 41, chapter 6. Rules adopted by the director may
24 include provisions relating to the following:

25 1. Subject to the approval of the commission, the types of lottery
26 games and the types of game play-styles to be conducted.

27 2. The method of selecting the winning tickets or shares for
28 noncomputerized online games, except that no method may be used ~~which~~ THAT,
29 in whole or in part, depends on the results of a dog race, a horse race or
30 any sporting event.

31 3. The manner of payment of prizes to the holders of winning tickets
32 or shares, including providing for payment by the purchase of annuities in
33 the case of prizes payable in installments, except that the commission staff
34 shall examine claims and may not pay any prize based on altered, stolen or
35 counterfeit tickets or based on any tickets ~~which~~ THAT fail to meet
36 established validation requirements, including rules stated on the ticket or
37 in the published game rules, and confidential validation tests applied
38 consistently by the commission staff. No particular prize in a lottery game

1 may be paid more than once, and in the event of a binding determination that
2 more than one person is entitled to a particular prize, the sole remedy of
3 the claimants is the award to each of them of an equal portion of the single
4 prize.

5 4. The method to be used in selling tickets or shares, except that no
6 elected official's name may be printed on such tickets or shares. The
7 overall estimated odds of winning some prize or some cash prize, as
8 appropriate, in a given game shall be printed on each ticket or share.

9 5. The licensing of agents to sell tickets or shares, except that a
10 person who is under eighteen years of age shall not be licensed as an agent.

11 6. The manner and amount of compensation to be paid licensed sales
12 agents necessary to provide for the adequate availability of tickets or
13 shares to prospective buyers and for the convenience of the public, including
14 provision for variable compensation based on sales volume.

15 7. Matters necessary or desirable for the efficient and economical
16 operation and administration of the lottery and for the convenience of the
17 purchasers of tickets or shares and the holders of winning tickets or shares.

18 C. The commission shall authorize the director to issue orders and
19 shall approve orders issued by the director for the necessary operation of
20 the lottery. Orders issued under this subsection may include provisions
21 relating to the following:

22 1. The prices of tickets or shares in lottery games.

23 2. The themes, game play-styles, and names of lottery games and
24 definitions of symbols and other characters used in lottery games, except
25 that each ticket or share in a lottery game shall bear a unique
26 distinguishable serial number.

27 3. The sale of tickets or shares at a discount for promotional
28 purposes.

29 4. The prize structure of lottery games, including the number and size
30 of prizes available. Available prizes may include free tickets in lottery
31 games and merchandise prizes.

32 5. The frequency of drawings, if any, or other selections of winning
33 tickets or shares, except that:

34 (a) All drawings shall be open to the public.

35 (b) The actual selection of winning tickets or shares may not be
36 performed by an employee or member of the commission.

37 (c) Noncomputerized online game drawings shall be witnessed by an
38 independent observer.

1 6. Requirements for eligibility for participation in grand drawings or
2 other runoff drawings, including requirements for the submission of evidence
3 of eligibility within a shorter period than that provided for claims by
4 section 5-568.

5 7. Incentive and bonus programs designed to increase sales of lottery
6 tickets or shares and to produce the maximum amount of net revenue for this
7 state.

8 D. Notwithstanding title 41, chapter 6 and subsection B of this
9 section, the director, subject to the approval of the commission, may
10 establish a policy, procedure or practice that relates to an existing online
11 game or a new online game ~~which~~ THAT is the same type and has the same type
12 of game play-style as an online game currently being conducted by the lottery
13 or may modify an existing rule for an existing online game or a new online
14 game ~~which~~ THAT is the same type and has the same type of game play-style as
15 an online game currently being conducted by the lottery, including
16 establishing or modifying the matrix for an online game by giving notice of
17 the establishment or modification at least thirty days before the effective
18 date of the establishment or modification.

19 E. The commission shall maintain and make the following information
20 available for public inspection at its offices during regular business hours:

21 1. A detailed listing of the estimated number of prizes of each
22 particular denomination expected to be awarded in any instant game currently
23 on sale.

24 2. After the end of the claim period prescribed by section 5-568, a
25 listing of the total number of tickets or shares sold and the number of
26 prizes of each particular denomination awarded in each lottery game.

27 3. Definitions of all play symbols and other characters used in each
28 lottery game and instructions on how to play and how to win each lottery
29 game.

30 F. Any information that is maintained by the commission and that would
31 assist a person in locating or identifying a winning ticket or share or that
32 would otherwise compromise the integrity of any lottery game is deemed
33 confidential and is not subject to public inspection.

34 G. The commission, in addition to other games authorized by this
35 article, shall establish two special games for each year to be conducted
36 concurrently with other lottery games authorized under subsection B of this
37 section. The monies for prizes, for operating expenses and for payment to
38 the commerce and economic development commission fund, as provided in section

1 5-572, subsection A, paragraph 2, shall be accounted for separately as nearly
2 as practicable in the lottery commission's general accounting system. The
3 monies shall be derived from the revenues of the special games, and monies
4 for prizes do not become an expense to the lottery commission's annual
5 appropriation as provided in section 5-555, subsection D and section 5-572,
6 subsection J. Monies saved from the revenues of the special games, by reason
7 of operating efficiencies, shall become other revenue of the lottery
8 commission and revert to the state general fund.

9 H. The commission, in addition to other games authorized by this
10 article, may establish multistate lottery games to be conducted concurrently
11 with other lottery games authorized under subsections B and G of this
12 section. The monies for prizes, for operating expenses and for payment to
13 the local transportation assistance fund, as provided in section 28-8101, and
14 the state general fund shall be accounted for separately as nearly as
15 practicable in the lottery commission's general accounting system. The
16 monies shall be derived from the revenues of multistate lottery games.

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18 ARTICLE, SHALL ESTABLISH SPECIAL INSTANT TICKET GAMES WITH PLAY AREAS
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1 combination, that uses gaming devices or video lottery terminals as those
2 terms are used in section 5-601.02, including monitor games that produce or
3 display outcomes or results more than once per hour.

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5 lottery ticket or share, a statement that help is available if a person has a
6 problem with gambling and a toll-free telephone number where problem gambling
7 assistance is available. The director shall require all licensed agents to
8 post a sign with the statement that help is available if a person has a
9 problem with gambling and the toll-free telephone number at the point of sale
10 as prescribed and supplied by the director. The requirements of this
11 subsection apply to tickets and shares printed after July 18, 2000.

12 ~~L.~~ M. For the purposes of this section:

13 1. "Game play-style" means the process or procedure that a player must
14 follow to determine if a lottery ticket or share is a winning ticket or
15 share.

16 2. "Matrix" means the odds of winning a prize and the prize payout
17 amounts in a given game.

18 Sec. 3. Effective date

19 Section 5-554, Arizona Revised Statutes, as amended by this act, is
20 effective from and after June 30, 2012."

21 Amend title to conform

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