

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2229

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 5-505, Arizona Revised Statutes, is amended to
3 read:

4 5-505. Apportionment of revenue

5 A. Not more than eighteen and one-half per cent of the total annual
6 revenues accruing from the sale of lottery tickets or shares and from all
7 other sources and not more than ~~fifteen~~ THIRTY-FIVE per cent of the total
8 annual revenues from the sale of special instant games authorized under
9 section 5-504, subsection I shall be deposited in the state lottery fund
10 established by section 5-521 to be expended for the following:

11 1. The payment of costs incurred in the operation and administration
12 of the lottery, including the expenses of the commission and the costs
13 resulting from any contract or contracts entered into for consulting or
14 operational services.

15 2. Independent audits, which shall be performed annually in addition
16 to the audits required by section 5-524.

17 3. Incentive programs for lottery sales agents and lottery employees.

18 4. Payment of compensation to licensed sales agents necessary to
19 provide for the adequate availability of tickets or services to prospective
20 buyers and for the convenience of the public. Except as otherwise provided
21 in this ~~paragraph~~ SUBSECTION, compensation of licensed sales agents shall be
22 at least five and one-half per cent but not more than eight per cent of the
23 price of each ticket or share that a retail sales agent sells in instant
24 games and online games, less the price of any tickets or shares that are
25 voided. ~~Compensation of a licensed sales agent who is designated as a~~
26 ~~charitable organization as defined in section 5-504 shall be twenty per cent~~
27 ~~of the price of each special instant game authorized under section 5-504,~~
28 ~~subsection I.~~

1 5. The payment of reasonable fees to redemption agents as authorized
2 by section 5-519.

3 6. The purchase or lease of lottery equipment, tickets and materials.

4 7. COMPENSATION OF A LICENSED SALES AGENT WHO IS DESIGNATED AS A
5 CHARITABLE ORGANIZATION AS DEFINED IN SECTION 5-504. COMPENSATION SHALL BE
6 TWENTY PER CENT OF THE PRICE OF EACH TICKET FROM A SPECIAL INSTANT GAME
7 AUTHORIZED UNDER SECTION 5-504, SUBSECTION I AND SHALL BE AN OFFSET AGAINST
8 THE SALE OF THE TICKET.

9 B. Not less than fifty per cent of the total annual revenues accruing
10 from the sale of lottery tickets or shares shall be deposited in the state
11 lottery prize fund established by section 5-523 for payment of prizes to the
12 holders of winning tickets or shares or for other purposes provided for in
13 section 5-518.

14 C. All other revenues accruing from the sale of lottery tickets or
15 shares in online games or instant games shall be deposited in the state
16 lottery fund established by section 5-521 to be used as prescribed by section
17 5-522.

18 D. Except for monies for prizes expended as provided in section 5-504,
19 subsection G and section 41-1505.10, monies expended under subsection A of
20 this section shall be subject to legislative appropriation.

21 Sec. 2. Section 5-555, Arizona Revised Statutes, is amended to read:

22 5-555. Apportionment of revenue

23 A. Not more than eighteen and one-half per cent of the total annual
24 revenues accruing from the sale of lottery tickets or shares and from all
25 other sources and not more than ~~fifteen~~ THIRTY-FIVE per cent of the total
26 annual revenues from the sale of special instant games authorized under
27 section 5-554, subsection I shall be deposited in the state lottery fund
28 established by section 5-571 to be expended for the following:

29 1. The payment of costs incurred in the operation and administration
30 of the lottery, including the expenses of the commission and the costs
31 resulting from any contract or contracts entered into for consulting or
32 operational services.

1 2. Independent audits, which shall be performed annually in addition
2 to the audits required by section 5-574.

3 3. Incentive programs for lottery sales agents and lottery employees.

4 4. Payment of compensation to licensed sales agents necessary to
5 provide for the adequate availability of tickets or services to prospective
6 buyers and for the convenience of the public. Except as otherwise provided
7 in this ~~paragraph~~ SUBSECTION, compensation of licensed sales agents shall be
8 at least five and one-half per cent but not more than eight per cent of the
9 price of each ticket or share that a retail sales agent sells in instant
10 games and online games, less the price of any tickets or shares that are
11 voided. ~~Compensation of a licensed sales agent who is designated as a~~
12 ~~charitable organization as defined in section 5-554 shall be twenty per cent~~
13 ~~of the price of each special instant game authorized under section 5-554,~~
14 ~~subsection I.~~

15 5. The payment of reasonable fees to redemption agents as authorized
16 by section 5-569.

17 6. The purchase or lease of lottery equipment, tickets and materials.

18 7. COMPENSATION OF A LICENSED SALES AGENT WHO IS DESIGNATED AS A
19 CHARITABLE ORGANIZATION AS DEFINED IN SECTION 5-554. COMPENSATION SHALL BE
20 TWENTY PER CENT OF THE PRICE OF EACH TICKET FROM A SPECIAL INSTANT GAME
21 AUTHORIZED UNDER SECTION 5-554, SUBSECTION I AND SHALL BE AN OFFSET AGAINST
22 THE SALE OF THE TICKET.

23 B. Not less than fifty per cent of the total annual revenues accruing
24 from the sale of lottery tickets or shares shall be deposited in the state
25 lottery prize fund established by section 5-573 for payment of prizes to the
26 holders of winning tickets or shares or for other purposes provided for in
27 section 5-568.

28 C. All other revenues accruing from the sale of lottery tickets or
29 shares in online games or instant games shall be deposited in the state
30 lottery fund established by section 5-571 to be used as prescribed by section
31 5-572.

1 D. Except for monies for prizes expended as provided in section 5-554,
2 subsection G and section 41-1505.10, monies expended under subsection A of
3 this section shall be subject to legislative appropriation.

4 Sec. 3. Effective date

5 Section 5-555, Arizona Revised Statutes, as amended by this act is
6 effective from and after June 30, 2012."

7 Amend title to conform

and, as so amended, it do pass

JOHN KAVANAGH
Chairman

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2/23/11
H:jmb