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RWH/CL

§1 - C.5:9-14.4

§2 - Approp.

§3 - Note

P.L. 2019, CHAPTER 155, *approved July 5, 2019*
Assembly, No. 5608 (*First Reprint*)

1 AN ACT concerning the purchase of lottery tickets through
2 decoupled debit as an electronic fund payment method ¹**[and]**,¹
3 supplementing P.L.1970, c.13 (C.5:9-1 et seq.) ¹, and making an
4 appropriation¹.
5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:
8

9 1. a. For the purposes of this act, P.L. , c. (C.) (pending
10 before the Legislature as this bill), “decoupled debit” means an
11 electronic fund transfer by an entity that does not hold the enrolled
12 user’s bank account and uses the automated clearing house network
13 to debit the user’s checking account for the settlement of
14 transactions.

15 b. Notwithstanding the provisions of any other law, rule, or
16 regulation to the contrary, a licensed lottery sales agent operating in
17 this State may accept decoupled debit as a form of payment from
18 patrons for the purchase of lottery tickets.

19 c. The State Lottery Commission shall promulgate rules and
20 regulations, pursuant to the “Administrative Procedure Act,”
21 P.L.1968, c.410 (C.52:14B-1 et seq.), as may be needed to
22 effectuate the provisions of this act.
23

24 ¹2. In addition to the amounts appropriated to the retirement
25 systems, as defined in section 2 of P.L.2017, c.98 (C.5:9-22.7), for
26 the fiscal year ending June 30, 2020 pursuant to P.L. , c. , there is
27 appropriated an amount, subject to the approval of the Director of
28 the Division of Budget and Accounting, to such retirement systems
29 as necessary to ensure that the aggregate contribution to all
30 retirement systems administered by the Division of Pensions and
31 Benefits and the Division of Investments equals \$3,792,013,000.¹
32

33 ¹**[2.] 3.**¹ This act shall take effect on the first day of the third
34 month following enactment, except that the State Lottery
35 Commission may take any anticipatory administrative action in
36 advance as shall be necessary for the implementation of this act.

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly amendments adopted in accordance with Governor's
recommendations June 27, 2019.

A5608 [1R]

2

1

2

3

Allows purchase of lottery tickets through decoupled debit

4

payment method; makes appropriation.

ASSEMBLY, No. 5608

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED JUNE 17, 2019

Sponsored by:

Assemblyman JOHN J. BURZICHELLI
District 3 (Cumberland, Gloucester and Salem)
Assemblyman RAJ MUKHERJI
District 33 (Hudson)
Senator PAUL A. SARLO
District 36 (Bergen and Passaic)
Assemblywoman ELIANA PINTOR MARIN
District 29 (Essex)

SYNOPSIS

Allows purchase of lottery tickets through decoupled debit payment method.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/28/2019)

1 AN ACT concerning the purchase of lottery tickets through
2 decoupled debit as an electronic fund payment method and
3 supplementing P.L.1970, c.13 (C.5:9-1 et seq.).
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. a. For the purposes of this act, P.L. , c. (C.) (pending
9 before the Legislature as this bill), “decoupled debit” means an
10 electronic fund transfer by an entity that does not hold the enrolled
11 user’s bank account and uses the automated clearing house network
12 to debit the user’s checking account for the settlement of
13 transactions.

14 b. Notwithstanding the provisions of any other law, rule, or
15 regulation to the contrary, a licensed lottery sales agent operating in
16 this State may accept decoupled debit as a form of payment from
17 patrons for the purchase of lottery tickets.

18 c. The State Lottery Commission shall promulgate rules and
19 regulations, pursuant to the “Administrative Procedure Act,”
20 P.L.1968, c.410 (C.52:14B-1 et seq.), as may be needed to
21 effectuate the provisions of this act.
22

23 2. This act shall take effect on the first day of the third month
24 following enactment, except that the State Lottery Commission may
25 take any anticipatory administrative action in advance as shall be
26 necessary for the implementation of this act.
27

28
29 STATEMENT
30

31 The bill permits lottery sales agents to accept decoupled debit as
32 a form of payment from patrons for the purchase of lottery tickets.
33 Under the bill, “decoupled debit” means an electronic fund transfer
34 by an entity that does not hold the enrolled user’s bank account and
35 uses the automated clearing house network to debit the user’s
36 checking account for the settlement of transactions.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5608

STATE OF NEW JERSEY

DATED: JUNE 17, 2019

The Assembly Budget Committee reports favorably Assembly Bill No. 5608.

This bill permits lottery sales agents to accept decoupled debit as a form of payment from patrons for the purchase of lottery tickets. Under the bill, “decoupled debit” means an electronic fund transfer by an entity that does not hold the enrolled user’s bank account and uses the automated clearing house network to debit the user’s checking account for the settlement of transactions.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note. If lottery sales agents accept decoupled debit as a form of payment, lottery ticket sales and lottery net proceeds may increase as a result.

SENATE, No. 3959

STATE OF NEW JERSEY
218th LEGISLATURE

INTRODUCED JUNE 17, 2019

Sponsored by:
Senator PAUL A. SARLO
District 36 (Bergen and Passaic)

SYNOPSIS

Allows purchase of lottery tickets through decoupled debit payment method.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the purchase of lottery tickets through
2 decoupled debit as an electronic fund payment method and
3 supplementing P.L.1970, c.13 (C.5:9-1 et seq.).
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. a. For the purposes of this act, P.L. , c. (C.) (pending
9 before the Legislature as this bill), “decoupled debit” means an
10 electronic fund transfer by an entity that does not hold the enrolled
11 user’s bank account and uses the automated clearing house network
12 to debit the user’s checking account for the settlement of
13 transactions.

14 b. Notwithstanding the provisions of any other law, rule, or
15 regulation to the contrary, a licensed lottery sales agent operating in
16 this State may accept decoupled debit as a form of payment from
17 patrons for the purchase of lottery tickets.

18 c. The State Lottery Commission shall promulgate rules and
19 regulations, pursuant to the “Administrative Procedure Act,”
20 P.L.1968, c.410 (C.52:14B-1 et seq.), as may be needed to
21 effectuate the provisions of this act.
22

23 2. This act shall take effect on the first day of the third month
24 following enactment, except that the State Lottery Commission may
25 take any anticipatory administrative action in advance as shall be
26 necessary for the implementation of this act.
27

28
29 STATEMENT
30

31 The bill permits lottery sales agents to accept decoupled debit as
32 a form of payment from patrons for the purchase of lottery tickets.
33 Under the bill, “decoupled debit” means an electronic fund transfer
34 by an entity that does not hold the enrolled user’s bank account and
35 uses the automated clearing house network to debit the user’s
36 checking account for the settlement of transactions.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3959

STATE OF NEW JERSEY

DATED: JUNE 17, 2019

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3959.

Senate Bill No. 3959 permits lottery sales agents to accept decoupled debit as a form of payment from patrons for the purchase of lottery tickets. Under the bill, “decoupled debit” means an electronic fund transfer by an entity that does not hold the enrolled user’s bank account and uses the automated clearing house network to debit the user’s checking account for the settlement of transactions.

FISCAL IMPACT:

The fiscal impacts of this bill cannot be determined.

The bill permits lottery sales agents to accept decoupled debit as a form of payment from patrons for the purchase of lottery tickets. Under the bill, “decoupled debit” means an electronic fund transfer by an entity that does not hold the enrolled user’s bank account and uses the automated clearing house network to debit the user’s checking account for the settlement of transactions.

Current law does not restrict the forms of payment that a lottery sales agent may accept from patrons purchasing lottery tickets. According to the Division of State Lottery, the State Lottery does not restrict what forms of payment a retailer may accept from customers for the purchase of lottery tickets; however, individual retailers may have prohibitions on customers purchasing lottery tickets with debit or credit cards. This bill does not change this basic framework as it is permissive in application.

ASSEMBLY BILL NO. 5608

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 5608 with my recommendations for reconsideration.

This bill is part of the Legislature's Fiscal Year 2020 spending plan. More specifically, the legislative majority has anticipated that enactment of this bill would allow them to spend \$25 million more on priority programs and services in the State Budget while still making the planned seven-tenths pension contribution in Fiscal Year 2020. Unfortunately, this bill and the budget itself do not accomplish that goal, but rather jeopardize the amount of the contribution to be made in Fiscal Year 2020 as set forth in my budget recommendations.

In 2017, the State enacted P.L.2017, c.98, which authorized the contribution of the State Lottery Enterprise to the Teachers' Pension and Annuity Fund ("TPAF"), the Public Employees' Retirement System ("PERS"), and the Police and Firemen's Retirement System ("PFRS") for a term of 30 years. Upon the contribution and in accordance with the act, the TPAF, PERS, and PFRS receive the net proceeds of the Lottery Enterprise, based upon their members' past or present employment in schools and institutions in the State.

The act provides for an adjustment of the State's annual required contribution based on the amount of the special asset adjustment set forth in the act. Importantly, however, the Lottery Enterprise contribution and the State's annual required contribution do not vary based upon the performance of the State Lottery Enterprise within any given fiscal year. If the Lottery Enterprise outperforms the special asset adjustment amount set

forth in the act, which for Fiscal Year 2020 is \$1,070,451,102, then the pension funds benefit, but not the State as the pension contribution amount is not lowered. If the Lottery Enterprise does worse than the special asset adjustment amount, then the pension funds suffer, but the State is not required to make up that difference.

Assembly Bill No. 5608 permits Lottery sales agents to accept decoupled debit as a form of payment from patrons for the purchase of Lottery tickets. The Legislature estimated that the enactment of Assembly Bill No. 5608 would result in the State Lottery Enterprise earning \$25 million more in revenue during Fiscal Year 2020. As a result, the Legislature reduced the appropriations made to the TPAF, PERS, and PFRS from the General Fund and Property Tax Relief Fund by a combined \$25 million. As noted above, additional Lottery net proceeds do not offset the State's required contribution. Consequently, the legislative budget does not appropriate sufficient funds to meet the planned seven-tenths pension contribution to the pension funds for Fiscal Year 2020. Because that is an unacceptable result, I am returning this bill with my recommendations to eliminate this deficiency.

I am proposing changes to Assembly Bill No. 5608 to allow for the appropriation of the money necessary to achieve a pension contribution of \$3,792,013,000 in Fiscal Year 2020. Failure to appropriate these additional funds could have a negative impact on the State's credit rating and the unfunded accrued liability of the State-administered pension systems. Absent this supplemental appropriation, the State will need to disclose in bond offering documents that the State will not be making its planned seven-tenths payment to the State-

administered retirement systems, which may have an adverse impact on the State's costs to borrow funds necessary for the operation of government, and the construction of schools, roads, and bridges.

Therefore, I herewith return Assembly Bill No. 5608 and recommend that it be amended as follows:

Page 2, Title, Line 2: Delete "and" and insert ","
Page 2, Title, Line 3: After "(C.5:9-1 et seq.)" insert ", and making an appropriation"

Page 2, Line 22: Insert new section:
"2. In addition to the amounts appropriated to the retirement systems, as defined in section 2 of P.L.2017, c.98 (C.5:9-22.7), for the fiscal year ending June 30, 2020 pursuant to P.L. , c. , there is appropriated an amount, subject to the approval of the Director of the Division of Budget and Accounting, to such retirement systems as necessary to ensure that the aggregate contribution to all retirement systems administered by the Division of Pensions and Benefits and the Division of Investments equals \$3,792,013,000."

Page 2, Section 2, Line 23: Delete "2." and insert "3."

[seal]

Respectfully,
/s/ Philip D. Murphy
Governor

Attest:
/s/ Matthew J. Platkin
Chief Counsel to the Governor

Governor Murphy Takes Action on Legislation

06/27/2019

TRENTON – Today, Governor Phil Murphy conditionally vetoed the following bill:

A5608 (Burzichelli, Mukherji/Sarlo) – Allows purchase of lottery tickets through decoupled debit payment method.

[Copy of Statement on A5608](#)



Governor Phil Murphy

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Newark, N.J.

Governor Murphy Takes Action on Legislation

07/5/2019

Today, Governor Phil Murphy signed the following bill into law:

A5608 w/GR (Burzichelli, Mukherji, Pintor Marin/Sarlo) – Allows purchase of lottery tickets through decoupled debit payment method; makes appropriation.

Governor Phil Murphy

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