

5:9-7

LEGISLATIVE HISTORY CHECKLIST

NJSA 5:9-7 (State Lottery--exclude rules from Administrative Procedures Act)

LAWS 1981 CHAPTER 182

Bill No. A3395

Sponsor(s) Jackman and others

Date Introduced May 14, 1981

Committee: Assembly -----

Senate -----

Amended during passage Yes No Substituted for S3243 (not printed)

Date of Passage: Assembly May 14, 1981

Senate May 14, 1981

Date of approval June 19, 1981

Following statements are attached if available:

Sponsor statement Yes No

Committee Statement: Assembly Yes No

Senate Yes No

Fiscal Note Yes No

Veto Message Yes No

Message on signing Yes No

Following were printed:

Reports Yes No

Hearings Yes No

Report mentioned in act:

974.90 New Jersey. State Lottery Planning Commission.
G191 Report... February 9, 1970. Trenton, 1970.
1970

6/22/81

ASSEMBLY, No. 3395

STATE OF NEW JERSEY

INTRODUCED MAY 14, 1981

By Assemblymen JACKMAN, HURLEY, LITTELL and KARCHER

(Without Reference)

AN ACT to amend the "State Lottery Law," approved February 16, 1970 (P. L. 1970, c. 13).

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. Section 7 of P. L. 1970, c. 13 (C. 5:9-7) is amended to read
2 as follows:

3 7. The commission shall have the power, and it shall be its duty:

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

19 (1) The type of lottery to be conducted.

20 (2) The price, or prices, of tickets or shares in the lottery.

21 (3) The number and sizes of the prizes on the winning tickets
22 or shares.

23 (4) The manner of selecting the winning tickets or shares.

24 (5) The manner of payment of prizes to the holders of winning
25 tickets or shares, including, subject to the approval of the State
26 Treasurer, provision for payment of prizes not to exceed \$599.00
27 by agents licensed hereunder out of moneys received from sales
28 of tickets or shares.

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

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

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

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

36 (10) The manner and amount of compensation, if any, to be
37 paid licensed sales agents necessary to provide for the adequate
38 availability of tickets or shares to prospective buyers and for the
39 convenience of the public.

40 (11) The apportionment of the total revenues accruing from the
41 sale of lottery tickets or shares and from all other sources among
42 (a) the payment of prizes to the holders of winning tickets or
43 shares, (b) the payment of costs incurred in the operation and
44 administration of the lottery, including the expenses of the division
45 and the costs resulting from any contract or contracts entered into
46 for promotional, advertising or operational services or for the
47 purchase or lease of lottery equipment and materials, (c) for the
48 repayment of the money appropriated to the State Lottery Fund
49 pursuant to section 23 of this act, and (d) for transfer to the general
50 fund for State institutions and State aid for education; provided,
51 however, that no less than 30% of the total revenues accruing from
52 the sale of lottery tickets or shares shall be dedicated to (d), above.

53 (12) Such other matters necessary or desirable for the efficient
54 and economical operation and administration of the lottery and for
55 the convenience of the purchasers of tickets or shares and the
56 holders of winning tickets or shares.

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

61 b. To amend, repeal, or supplement any such rules and regula-
62 tions from time to time as it deems necessary or desirable.

63 c. To advise and make recommendations to the director regard-
64 ing the operation and administration of the lottery.

65 d. To report monthly to the Governor and the Legislature the
66 total lottery revenues, prize disbursements and other expenses for
67 the preceding month, and to make an annual report, which shall
68 include a full and complete statement of lottery revenues, prize
69 disbursements and other expenses, to the Governor and the Legis-
70 lature, and including such recommendations for changes in this
71 act as it deems necessary or desirable.

72 e. To report immediately to the Governor and the Legislature
73 any matters which shall require immediate changes in the laws of
74 this State in order to prevent abuses and evasions of this act or
75 rules and regulations promulgated thereunder or to rectify unde-
76 sirable conditions in connection with the administration or opera-
77 tion of the lottery.

78 f. To carry on a continuous study and investigation of the lottery
79 throughout the State (1) for the purpose of ascertaining any defects
80 in this act or in the rules and regulations issued thereunder by
81 reason whereof any abuses in the administration and operation of
82 the lottery or any evasion of this act or the rules and regulations
83 may arise or be practiced, (2) for the purpose of formulating rec-
84 commendations for changes in this act and the rules and regulations
85 promulgated thereunder to prevent such abuses and evasions, (3) to
86 guard against the use of this act and the rules and regulations
87 issued thereunder as a cloak for the carrying on of organized
88 gambling and crime, and (4) to insure that said law and rules and
89 regulations shall be in such form and be so administered as to
90 serve the true purposes of this act.

91 g. To make a continuous study and investigation of (1) the op-
92 eration and the administration of similar laws which may be in
93 effect in other states or countries, (2) any literature on the subject
94 which from time to time may be published or available, (3) any
95 Federal laws which may affect the operation of the lottery, and
96 (4) the reaction of New Jersey citizens to existing and potential
97 features of the lottery with a view to recommending or effecting
98 changes that will tend to serve the purposes of this act.

1 2. This act shall take effect immediately.

STATEMENT

The provisions of the "Administrative Procedure Act" can be interpreted to apply to rules adopted by the Lottery Commission governing its various games. Compliance with this act has become increasingly difficult for the commission since the enactment of P. L. 1981, c. 27 providing for legislative oversight of administrative rules and regulations. The impact of this law has been to limit the usefulness of the "imminent peril" exception for lottery game rules.

Because of marketing pressures and production requirements the commission has found it impossible to comply with the requirements for prior notice in the "Administrative Procedure Act." The provisions regarding permanent adoption of rules which require

advertising, public comment and impact statement are not relevant in this context since once lottery game rules are adopted, they cannot be changed.

This bill amends the "State Lottery Law" to exclude rules governing lottery games from the jurisdiction of the "Administrative Procedure Act." The change would apply only to rules governing lottery games. Other rules of the Lottery Commission would still be subject to the "Administrative Procedure Act."

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4

A-1789, sponsored by Assemblyman Albert Burstein, which revises and clarifies the procedures for the removal or discipline of tenured faculty members at State or county colleges.

Under the bill, the Board of Trustees of a college could refer cases to an Administrative Law Judge or a subcommittee of three trustees for initial determination. A final decision would then be made by the full Board of Trustees. The Chancellor of Higher Education would hear appeals.

The measure will remove any doubt about the legality of using subcommittees of the trustee boards and will promote speed and efficiency in reaching personnel decisions.

A-3395, sponsored by Assembly Speaker Christopher J. Jackman (D-Hudson), which amends the State Lottery Law to exempt rules governing the lottery games from the jurisdiction of the Administrative Procedures Act.

The change applies only to the rules governing the games themselves; all other rules of the Lottery Commission would still be subject to the act.

A-1463, sponsored by Assemblywoman Hazel Gluck (R-Ocean), which permits a county or municipal consumer affairs office to keep any fines or penalties awarded in a successful consumer fraud prosecution which it has undertaken. Under prior law, the money went to the General State Fund.

In addition, the bill removes the prohibition on a municipality establishing a consumer affairs office if one already exists in the county in which the municipality is located, thus indirectly permitting both municipal and county offices.

S-654, sponsored by Senator Brian Kennedy (R-Monmouth), which amends the law granting property tax exemptions for disabled veterans and their widows to provide that the widow of a veteran who was killed in action who has not remarried and is a resident of the State may receive a property tax exemption on her primary place of residence.

A-267, sponsored by Assemblyman Vincent O. Pellechia (D-Passaic), which reduces the vesting period in six State-administered pension systems from 15 years to 10 years.