

PROPOSED AMENDMENT  
SENATE AMENDMENTS TO S.B. 1127  
(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, in  
17 whole or in part, depends on the results of a dog race, a horse race or any  
18 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

1 the claimants is the award to each of them of an equal portion of the single  
2 prize.

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

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

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

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

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

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

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

25 3. The sale of tickets or shares at a discount for promotional  
26 purposes.

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

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

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

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

35 (c) Noncomputerized online game drawings shall be witnessed by an  
36 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 5-518.

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 5-518, 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

1 the commerce and economic development commission fund, as provided in section  
2 5-522, subsection A, paragraph 2, shall be accounted for separately as nearly  
3 as practicable in the lottery commission's general accounting system. The  
4 monies shall be derived from the revenues of the special games, and monies  
5 for prizes do not become an expense to the lottery commission's annual  
6 appropriation as provided in section 5-505, subsection D and section 5-522,  
7 subsection J. Monies saved from the revenues of the special games, by reason  
8 of operating efficiencies, shall become other revenue of the lottery  
9 commission and revert to the state general fund.

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

18 I. THE COMMISSION, IN ADDITION TO OTHER GAMES AUTHORIZED BY THIS  
19 ARTICLE, SHALL ESTABLISH SPECIAL INSTANT TICKET GAMES WITH PLAY AREAS  
20 PROTECTED BY PAPER TABS DESIGNATED FOR USE BY VETERANS' ORGANIZATIONS. THE  
21 MONIES FOR PRIZES AND FOR OPERATING EXPENSES SHALL BE ACCOUNTED FOR  
22 SEPARATELY AS NEARLY AS PRACTICABLE IN THE LOTTERY COMMISSION'S GENERAL  
23 ACCOUNTING SYSTEM. FIFTEEN PER CENT OF THE REVENUES DERIVED FROM THE SALE OF  
24 THE SPECIAL GAMES SHALL BE RETAINED BY THE COMMISSION TO COVER THE LOTTERY'S  
25 EXPENSES IN OPERATING THE SPECIAL GAMES. FIFTEEN PER CENT OF THE REVENUES  
26 DERIVED FROM THE SALE OF THE SPECIAL GAMES SHALL BE DISTRIBUTED BY THE  
27 COMMISSION TO LICENSED VETERANS' ORGANIZATIONS. THE REMAINDER OF THE  
28 REVENUES DERIVED FROM THE SALE OF THE SPECIAL GAMES SHALL BE USED FOR PAYMENT  
29 OF PRIZES TO THE HOLDERS OF WINNING TICKETS OR SHARES AND DO NOT BECOME AN  
30 EXPENSE TO THE LOTTERY COMMISSION'S ANNUAL APPROPRIATION. MONIES SAVED FROM  
31 THE REVENUES OF THE SPECIAL GAMES, BY REASON OF OPERATING EFFICIENCIES, SHALL  
32 BECOME OTHER REVENUE OF THE LOTTERY COMMISSION AND REVERT TO THE STATE  
33 GENERAL FUND.

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

36 ~~J.~~ K. The commission or director shall not establish or operate any  
37 lottery game or any type of game play-style, either individually or in

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.

4 ~~K.~~ L. The director shall print, in a prominent location on each  
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 3. "VETERANS' ORGANIZATION" MEANS A BONA FIDE VETERANS' ORGANIZATION,  
19 OR ANY CHARTERED BRANCH OR LODGE OR CHAPTER OF A NATIONAL OR STATE VETERANS'  
20 ORGANIZATION, THAT OPERATES WITHOUT PROFIT TO ITS MEMBERS AND THAT HAS BEEN  
21 IN CONTINUOUS EXISTENCE FOR AT LEAST TWO YEARS IN THIS STATE IMMEDIATELY  
22 BEFORE SUBMITTING AN APPLICATION FOR A LICENSE UNDER THIS ARTICLE, AND  
23 INCLUDES NOT MORE THAN ONE IDENTIFIED AUXILIARY OF EACH OF THESE  
24 ORGANIZATIONS.

25 Sec. 2. Section 5-554, Arizona Revised Statutes, is amended to read:  
26 5-554. Commission; director; powers and duties; definitions

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

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

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

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

5           3. The manner of payment of prizes to the holders of winning tickets  
6 or shares, including providing for payment by the purchase of annuities in  
7 the case of prizes payable in installments, except that the commission staff  
8 shall examine claims and may not pay any prize based on altered, stolen or  
9 counterfeit tickets or based on any tickets ~~which~~ THAT fail to meet  
10 established validation requirements, including rules stated on the ticket or  
11 in the published game rules, and confidential validation tests applied  
12 consistently by the commission staff. No particular prize in a lottery game  
13 may be paid more than once, and in the event of a binding determination that  
14 more than one person is entitled to a particular prize, the sole remedy of  
15 the claimants is the award to each of them of an equal portion of the single  
16 prize.

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

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

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

27           7. Matters necessary or desirable for the efficient and economical  
28 operation and administration of the lottery and for the convenience of the  
29 purchasers of tickets or shares and the holders of winning tickets or shares.

30           C. The commission shall authorize the director to issue orders and  
31 shall approve orders issued by the director for the necessary operation of  
32 the lottery. Orders issued under this subsection may include provisions  
33 relating to the following:

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

35           2. The themes, game play-styles, and names of lottery games and  
36 definitions of symbols and other characters used in lottery games, except

1 that each ticket or share in a lottery game shall bear a unique  
2 distinguishable serial number.

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

5 4. The prize structure of lottery games, including the number and size  
6 of prizes available. Available prizes may include free tickets in lottery  
7 games and merchandise prizes.

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

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

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

13 (c) Noncomputerized online game drawings shall be witnessed by an  
14 independent observer.

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

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

22 D. Notwithstanding title 41, chapter 6 and subsection B of this  
23 section, the director, subject to the approval of the commission, may  
24 establish a policy, procedure or practice that relates to an existing online  
25 game or a new online game ~~which~~ THAT is the same type and has the same type  
26 of game play-style as an online game currently being conducted by the lottery  
27 or may modify an existing rule for an existing online game or a new online  
28 game ~~which~~ THAT is the same type and has the same type of game play-style as  
29 an online game currently being conducted by the lottery, including  
30 establishing or modifying the matrix for an online game by giving notice of  
31 the establishment or modification at least thirty days before the effective  
32 date of the establishment or modification.

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

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

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

4           3. Definitions of all play symbols and other characters used in each  
5 lottery game and instructions on how to play and how to win each lottery  
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7           F. Any information that is maintained by the commission and that would  
8 assist a person in locating or identifying a winning ticket or share or that  
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10 confidential and is not subject to public inspection.

11           G. The commission, in addition to other games authorized by this  
12 article, shall establish two special games for each year to be conducted  
13 concurrently with other lottery games authorized under subsection B of this  
14 section. The monies for prizes, for operating expenses and for payment to  
15 the commerce and economic development commission fund, as provided in section  
16 5-572, subsection A, paragraph 2, shall be accounted for separately as nearly  
17 as practicable in the lottery commission's general accounting system. The  
18 monies shall be derived from the revenues of the special games, and monies  
19 for prizes do not become an expense to the lottery commission's annual  
20 appropriation as provided in section 5-555, subsection D and section 5-572,  
21 subsection J. Monies saved from the revenues of the special games, by reason  
22 of operating efficiencies, shall become other revenue of the lottery  
23 commission and revert to the state general fund.

24           H. The commission, in addition to other games authorized by this  
25 article, may establish multistate lottery games to be conducted concurrently  
26 with other lottery games authorized under subsections B and G of this  
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28 the local transportation assistance fund, as provided in section 28-8101, and  
29 the state general fund shall be accounted for separately as nearly as  
30 practicable in the lottery commission's general accounting system. The  
31 monies shall be derived from the revenues of multistate lottery games.

32           I. THE COMMISSION, IN ADDITION TO OTHER GAMES AUTHORIZED BY THIS  
33 ARTICLE, SHALL ESTABLISH SPECIAL INSTANT TICKET GAMES WITH PLAY AREAS  
34 PROTECTED BY PAPER TABS DESIGNATED FOR USE BY VETERANS' ORGANIZATIONS. THE  
35 MONIES FOR PRIZES AND FOR OPERATING EXPENSES SHALL BE ACCOUNTED FOR  
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37 ACCOUNTING SYSTEM. FIFTEEN PER CENT OF THE REVENUES DERIVED FROM THE SALE OF

1 THE SPECIAL GAMES SHALL BE RETAINED BY THE COMMISSION TO COVER THE LOTTERY'S  
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10 GENERAL FUND.

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13 ~~K.~~ K. The commission or director shall not establish or operate any  
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15 combination, that uses gaming devices or video lottery terminals as those  
16 terms are used in section 5-601.02, including monitor games that produce or  
17 display outcomes or results more than once per hour.

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

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33 OR ANY CHARTERED BRANCH OR LODGE OR CHAPTER OF A NATIONAL OR STATE VETERANS'  
34 ORGANIZATION, THAT OPERATES WITHOUT PROFIT TO ITS MEMBERS AND THAT HAS BEEN  
35 IN CONTINUOUS EXISTENCE FOR AT LEAST TWO YEARS IN THIS STATE IMMEDIATELY  
36 BEFORE SUBMITTING AN APPLICATION FOR A LICENSE UNDER THIS ARTICLE, AND

1 INCLUDES NOT MORE THAN ONE IDENTIFIED AUXILIARY OF EACH OF THESE  
2 ORGANIZATIONS.

3 Sec. 3. Effective date

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

6 Amend title to conform

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