

REFERENCE TITLE: lottery game; veterans' assistance fund

State of Arizona
House of Representatives
Fifty-second Legislature
First Regular Session
2015

HB 2104

Introduced by
Representatives Borrelli, Cardenas, Finchem, Hale, Senator Griffin:
Representatives Boyer, Campbell, Shope, Thorpe, Senator Ward

AN ACT

AMENDING SECTION 5-554, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 3, ARTICLE 7.1, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-612; RELATING TO THE STATE LOTTERY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 5-554, Arizona Revised Statutes, is amended to
3 read:

4 5-554. 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~~ PURSUANT TO title 41, chapter 6. Rules adopted by the
12 director may 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 that, 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 that fail to meet established
24 validation requirements, including rules stated on the ticket or in the
25 published game rules, and confidential validation tests applied consistently
26 by the commission staff. ~~No~~ A particular prize in a lottery game may **NOT** be
27 paid more than once, and in the event of a binding determination that more
28 than one person is entitled to a particular prize, the sole remedy of the
29 claimants is the award to each of them of an equal portion of the single
30 prize.

31 4. The method to be used in selling tickets or shares, except that ~~no~~
32 **AN** elected official's name may **NOT** be printed on ~~such~~ **THE** tickets or
33 shares. The overall estimated odds of winning some prize or some cash prize,
34 as appropriate, in a given game shall be printed on each ticket or share.

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

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

41 7. Matters necessary or desirable for the efficient and economical
42 operation and administration of the lottery and for the convenience of the
43 purchasers of tickets or shares and the holders of winning tickets or shares.

1 C. The commission shall authorize the director to issue orders and
2 shall approve orders issued by the director for the necessary operation of
3 the lottery. Orders issued under this subsection may include provisions
4 relating to the following:

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

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

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

12 4. The prize structure of lottery games, including the number and size
13 of prizes available. Available prizes may include free tickets in lottery
14 games and merchandise prizes.

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

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

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

20 (c) Noncomputerized online game drawings shall be witnessed by an
21 independent observer.

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

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

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

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

42 1. A detailed listing of the estimated number of prizes of each
43 particular denomination expected to be awarded in any instant game currently
44 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
6 game.

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
9 would otherwise compromise the integrity of any lottery game is deemed
10 confidential and is not subject to public inspection.

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

18 H. 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 charitable 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. Monies saved from the revenues of the special games, by
24 reason of operating efficiencies, shall become other revenue of the lottery
25 commission and revert to the state general fund.

26 I. The commission or director shall not establish or operate any
27 online or electronic keno game or any game played on the internet.

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

33 K. The director shall print, in a prominent location on each lottery
34 ticket or share, a statement that help is available if a person has a problem
35 with gambling and a toll-free telephone number where problem gambling
36 assistance is available. The director shall require all licensed agents to
37 post a sign with the statement that help is available if a person has a
38 problem with gambling and the toll-free telephone number at the point of sale
39 as prescribed and supplied by the director. The requirements of this
40 subsection apply to tickets and shares printed after July 18, 2000.

41 L. IN ADDITION TO OTHER GAMES AUTHORIZED BY THIS ARTICLE, THE
42 COMMISSION SHALL ESTABLISH A SPECIAL INSTANT GAME TO PROVIDE EDUCATIONAL
43 ASSISTANCE TO VETERANS THAT SHALL BE CONDUCTED CONCURRENTLY WITH OTHER
44 LOTTERY GAMES AUTHORIZED UNDER SUBSECTIONS B, G AND H OF THIS SECTION. THE
45 MONIES FOR PRIZES, FOR OPERATING EXPENSES AND FOR DEPOSIT IN THE VETERANS'

1 EDUCATIONAL ASSISTANCE GRANTS FUND ESTABLISHED BY SECTION 41-612 SHALL BE
2 ACCOUNTED FOR SEPARATELY AS NEARLY AS PRACTICABLE IN THE LOTTERY COMMISSION'S
3 GENERAL ACCOUNTING SYSTEM. THE MONIES SHALL BE DERIVED FROM THE REVENUES OF
4 THE SPECIAL INSTANT GAME AND ARE NOT SUBJECT TO APPORTIONMENT PURSUANT TO
5 SECTION 5-555 OR DISTRIBUTION PURSUANT TO SECTION 5-572. THE LOTTERY
6 COMMISSION SHALL DISTRIBUTE AT LEAST FIVE PERCENT OF THE TOTAL ANNUAL
7 REVENUES FROM TICKET SALES OF THE SPECIAL INSTANT GAME IN EACH COUNTY TO THE
8 COUNTY TREASURER OF THAT COUNTY FOR DEPOSIT IN THE COUNTY GENERAL FUND AND
9 DEPOSIT THE REMAINING REVENUES FROM THE SPECIAL INSTANT GAME IN THE VETERANS'
10 EDUCATIONAL ASSISTANCE GRANTS FUND ESTABLISHED BY SECTION 41-612.

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

12 1. "Charitable organization" means any nonprofit organization,
13 including not more than one auxiliary of that organization, that has operated
14 for charitable purposes in this state for at least two years before
15 submitting a license application under this article.

16 2. "Game play-style" means the process or procedure that a player must
17 follow to determine if a lottery ticket or share is a winning ticket or
18 share.

19 3. "Matrix" means the odds of winning a prize and the prize payout
20 amounts in a given game.

21 Sec. 2. Title 41, chapter 3, article 7.1, Arizona Revised Statutes, is
22 amended by adding section 41-612, to read:

23 41-612. Veterans' educational assistance grants fund;
24 definitions

25 A. THE VETERANS' EDUCATIONAL ASSISTANCE GRANTS FUND IS ESTABLISHED
26 CONSISTING OF MONIES THAT ARE DEPOSITED IN THE FUND PURSUANT TO SECTION
27 5-554, SUBSECTION L. MONIES IN THE FUND ARE SUBJECT TO LEGISLATIVE
28 APPROPRIATION AND EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO
29 LAPSING OF APPROPRIATIONS. THE DEPARTMENT OF VETERANS' SERVICES SHALL
30 ADMINISTER THE FUND.

31 B. A POSTSECONDARY EDUCATIONAL INSTITUTION OR BASIC PEACE OFFICER
32 ACADEMY THAT ESTABLISHES A GRANT PROGRAM FOR QUALIFIED MILITARY PERSONNEL MAY
33 APPLY TO THE DEPARTMENT OF VETERANS' SERVICES FOR A DISTRIBUTION OF MONIES
34 FROM THE FUND. THE DEPARTMENT OF VETERANS' SERVICES SHALL PRESCRIBE
35 APPLICATION PROCEDURES AND SELECTION CRITERIA AND SHALL DETERMINE THE AMOUNTS
36 DISTRIBUTED FROM THE FUND.

37 C. MONIES IN THE FUND SHALL BE USED TO PROVIDE TUITION ASSISTANCE
38 GRANTS TO QUALIFIED MILITARY PERSONNEL AS FOLLOWS:

39 1. A POSTSECONDARY EDUCATIONAL INSTITUTION OR BASIC PEACE OFFICER
40 ACADEMY THAT RECEIVES MONIES FROM THE FUND SHALL DEVELOP AN APPLICATION AND
41 AWARD PROCESS FOR POTENTIAL GRANT RECIPIENTS AND AWARD GRANTS ON AN ANNUAL
42 BASIS. THE POSTSECONDARY EDUCATIONAL INSTITUTION OR BASIC PEACE OFFICER
43 ACADEMY SHALL DETERMINE THE AMOUNT OF EACH GRANT AWARDED PURSUANT TO THIS
44 SECTION. GRANT MONIES SHALL BE DISTRIBUTED TO QUALIFIED MILITARY PERSONNEL
45 ON A QUARTERLY OR SEMESTER BASIS, WITH CONTINUING AWARDS CONTINGENT ON THE

1 GRANT RECIPIENT MAINTAINING SATISFACTORY ACADEMIC PROGRESS AS PRESCRIBED BY
2 THE POSTSECONDARY EDUCATIONAL INSTITUTION OR BASIC PEACE OFFICER ACADEMY.

3 2. A GRANT RECIPIENT MAY ONLY USE GRANT MONIES TOWARD TUITION AND FEES
4 AT A POSTSECONDARY EDUCATIONAL INSTITUTION OR BASIC PEACE OFFICER ACADEMY IN
5 THIS STATE.

6 D. A POSTSECONDARY EDUCATIONAL INSTITUTION OR BASIC PEACE OFFICER
7 ACADEMY MAY ONLY USE MONIES DISTRIBUTED FROM THE FUND TO ADMINISTER THE GRANT
8 PROGRAM. ANY MONIES THAT REMAIN UNSPENT BY THE POSTSECONDARY EDUCATIONAL
9 INSTITUTION OR BASIC PEACE OFFICER ACADEMY AT THE CLOSE OF A FISCAL YEAR
10 SHALL BE TRANSFERRED TO THE DEPARTMENT OF VETERANS' SERVICES AND MAY BE USED
11 BY THE DEPARTMENT TO FUND OTHER PROGRAMS AND SERVICES PROVIDED BY THE
12 DEPARTMENT.

13 E. FOR THE PURPOSES OF THIS SECTION:

14 1. "POSTSECONDARY EDUCATIONAL INSTITUTION" MEANS ANY OF THE FOLLOWING:

15 (a) A COMMUNITY COLLEGE UNDER THE JURISDICTION OF A COMMUNITY COLLEGE
16 DISTRICT IN THIS STATE OR A COMMUNITY COLLEGE THAT IS OWNED, OPERATED OR
17 CHARTERED BY AN INDIAN TRIBE AND THAT IS LOCATED ON THAT INDIAN RESERVATION.

18 (b) A UNIVERSITY UNDER THE JURISDICTION OF THE ARIZONA BOARD OF
19 REGENTS.

20 (c) A PRIVATE COLLEGE, VOCATIONAL SCHOOL OR UNIVERSITY IN THIS STATE.

21 2. "QUALIFIED MILITARY PERSONNEL" MEANS A RESIDENT OF THIS STATE WHO
22 HAS BEEN ACCEPTED INTO OR IS ENROLLED AT A POSTSECONDARY EDUCATIONAL
23 INSTITUTION IN A COURSE OF STUDY THAT LEADS TO A VOCATIONAL CERTIFICATE,
24 ASSOCIATE'S DEGREE OR BACHELOR'S DEGREE OR HAS BEEN ACCEPTED INTO OR IS
25 ENROLLED IN A BASIC PEACE OFFICER ACADEMY AND WHO EITHER:

26 (a) IS A MEMBER OF THE UNITED STATES ARMED FORCES, HAS SERVED AT LEAST
27 NINETY DAYS OF SERVICE AFTER SEPTEMBER 10, 2001 AND EITHER IS ON ACTIVE DUTY,
28 HAS BEEN HONORABLY DISCHARGED OR HAS BEEN DISCHARGED WITH A SERVICE-CONNECTED
29 DISABILITY.

30 (b) IS A MEMBER OF THE ARIZONA NATIONAL GUARD, HAS COMPLETED INITIAL
31 ACTIVE DUTY TRAINING AND IS IN GOOD STANDING AS AN ACTIVE MEMBER OF THE
32 ARIZONA NATIONAL GUARD OR HAS RECEIVED AN HONORABLE DISCHARGE FROM THE
33 ARIZONA NATIONAL GUARD.