

REFERENCE TITLE: lottery; advertising cap; removal

State of Arizona
House of Representatives
Forty-eighth Legislature
Second Regular Session
2008

HB 2515

Introduced by
Representative Nelson

AN ACT

AMENDING SECTION 5-505, ARIZONA REVISED STATUTES; 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 5-505, 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 shall be deposited in the state lottery fund established
8 ~~pursuant to~~ BY section 5-521 to be expended for the following:

9 1. The payment of costs incurred in the operation and administration
10 of the lottery, including the expenses of the commission and the costs
11 resulting from any contract or contracts entered into for consulting or
12 operational services, or for promotional and advertising services. ~~Not more~~
13 ~~than four per cent of the total annual gross revenues of the lottery shall be~~
14 ~~expended for promotional or advertising 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. Compensation of licensed sales
21 agents shall be at least six and one-half per cent but not more than seven
22 per cent of the price of each ticket or share that a retail sales agent sells
23 in instant games and on-line games, less the price of any tickets or shares
24 that are voided.

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

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

28 B. Not less than twenty-nine per cent of the total annual revenues
29 accruing from the sale of lottery tickets or shares in on-line games and not
30 less than twenty-one and one-half per cent of the total annual revenues
31 accruing from the sale of lottery tickets or shares in instant games shall be
32 deposited in the state lottery fund established pursuant to section 5-521 to
33 be used as prescribed in section 5-522, subsection A, paragraphs 2, 3, ~~4~~, AND
34 5 ~~and 6~~, and section 5-522, subsections B, C, D and E.

35 C. Not less than fifty per cent of the total annual revenues accruing
36 from the sale of lottery tickets or shares shall be deposited in the state
37 lottery prize fund established ~~pursuant to~~ BY section 5-523 for payment of
38 prizes to the holders of winning tickets or shares or for other purposes
39 provided for in section 5-518.

40 D. Except for monies for prizes expended as provided in section 5-504,
41 subsection ~~H~~ G and section 41-1505.10, monies expended under subsection A of
42 this section ~~shall be~~ ARE subject to legislative appropriation.