

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

HOUSE BILL 2588

AN ACT

AMENDING SECTION 5-504, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 16, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-2007; 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 5-504, 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 ~~on-line~~ ONLINE games, except that no method may be used ~~which~~
17 THAT, in whole or in part, depends on the results of a dog race, a horse race
18 or any 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
29 the 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 elected official's name may be printed on such tickets or shares. The
33 overall estimated odds of winning some prize or some cash prize, as
34 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 under ~~the age of~~ eighteen YEARS OF AGE shall not be licensed as an
37 agent.

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

42 7. Matters necessary or desirable for the efficient and economical
43 operation and administration of the lottery and for the convenience of the
44 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 ~~on-line~~ ONLINE game drawings shall be witnessed by
21 an 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 5-518.

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 ~~on-line~~
32 ONLINE game or a new ~~on-line~~ ONLINE game ~~which~~ THAT is the same type and has
33 the same type of game play-style as an ~~on-line~~ ONLINE game currently being
34 conducted by the lottery or may modify an existing rule for an existing
35 ~~on-line~~ ONLINE game or a new ~~on-line~~ ONLINE game ~~which~~ THAT is the same type
36 and has the same type of game play-style as an ~~on-line~~ ONLINE game currently
37 being conducted by the lottery, including establishing or modifying the
38 matrix for an ~~on-line~~ ONLINE game by giving notice of the establishment or
39 modification at least thirty days before the effective date of the
40 establishment or modification.

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

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

1 2. After the end of the claim period prescribed by section 5-518, 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 ~~shall~~, 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 5-522, subsection A, paragraph ~~3- 2~~, shall be accounted for separately as
17 nearly as practicable in the lottery commission's general accounting system.
18 The monies shall be derived from the revenues of the special games, and
19 monies for prizes do not become an expense to the lottery commission's annual
20 appropriation as provided in section 5-505, subsection D and section 5-522,
21 subsection ~~H- I~~. Monies saved from the revenues of the special games, by
22 reason of operating efficiencies, shall become other revenue of the lottery
23 commission and revert to the state general fund.

24 H. The commission ~~may~~, 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 ~~H- G~~ of this
27 section. The monies for prizes, for operating expenses and for payment to
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 or director shall not establish or operate any
33 ~~on-line~~ **ONLINE** or electronic keno game or any game played on the internet.

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

42 **K. BEGINNING IN FISCAL YEAR 2008-2009, IN ADDITION TO OTHER GAMES**
43 **AUTHORIZED BY THIS ARTICLE, THE COMMISSION SHALL ESTABLISH A SPECIAL GAME**
44 **EACH YEAR TO BE CONDUCTED CONCURRENTLY WITH OTHER LOTTERY GAMES AUTHORIZED**
45 **UNDER SUBSECTIONS B, G AND H OF THIS SECTION. THE MONIES FOR PRIZES, FOR**

1 OPERATING EXPENSES AND FOR DEPOSIT IN THE ENERGY EFFICIENCY PROJECT GRANTS
2 FUND ESTABLISHED BY SECTION 15-2007 SHALL BE ACCOUNTED FOR SEPARATELY AS
3 NEARLY AS PRACTICABLE IN THE LOTTERY COMMISSION'S GENERAL ACCOUNTING SYSTEM.
4 THE MONIES SHALL BE DERIVED FROM THE REVENUES OF THE SPECIAL GAME.

5 ~~K.~~ L. For the purposes of this section:

6 1. "Game play-style" means the process or procedure that a player must
7 follow to determine if a lottery ticket or share is a winning ticket or
8 share.

9 2. "Matrix" means the odds of winning a prize and the prize payout
10 amounts in a given game.

11 Sec. 2. Title 15, chapter 16, article 1, Arizona Revised Statutes, is
12 amended by adding section 15-2007, to read:

13 15-2007. Energy efficiency project grants

14 A. THE ENERGY EFFICIENCY PROJECT GRANTS FUND IS ESTABLISHED CONSISTING
15 OF MONIES THAT ARE DEPOSITED IN THE FUND PURSUANT TO SECTION 5-504,
16 SUBSECTION K. MONIES IN THE FUND ARE SUBJECT TO LEGISLATIVE APPROPRIATION
17 AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF
18 APPROPRIATIONS. THE SCHOOL FACILITIES BOARD SHALL ADMINISTER THE FUND.

19 B. A SCHOOL DISTRICT MAY APPLY TO THE SCHOOL FACILITIES BOARD FOR A
20 GRANT FROM THE FUND. THE SCHOOL FACILITIES BOARD SHALL PRESCRIBE APPLICATION
21 PROCEDURES AND SELECTION CRITERIA. MONIES FROM THE FUND SHALL BE DISTRIBUTED
22 TO SCHOOL DISTRICTS AND USED FOR THE FOLLOWING PURPOSES:

23 1. THE CONSTRUCTION OF NEW ENERGY EFFICIENT SCHOOL FACILITIES AND THE
24 RENOVATION OF EXISTING SCHOOL FACILITIES TO IMPROVE ENERGY EFFICIENCY.

25 2. RENEWABLE ENERGY PROJECTS IN NEW SCHOOL FACILITIES AND EXISTING
26 SCHOOL FACILITIES, INCLUDING SOLAR HOT WATER PANELS AND SOLAR PHOTO VOLTAIC
27 PANELS.