

ASSEMBLY, No. 4018

STATE OF NEW JERSEY 216th LEGISLATURE

INTRODUCED DECEMBER 15, 2014

Sponsored by:

Assemblyman JOHN J. BURZICHELLI
District 3 (Cumberland, Gloucester and Salem)
Assemblyman RALPH R. CAPUTO
District 28 (Essex)
Assemblyman VINCENT MAZZEO
District 2 (Atlantic)
Senator PAUL A. SARLO
District 36 (Bergen and Passaic)
Senator JIM WHELAN
District 2 (Atlantic)

Co-Sponsored by:

Senator Beach

SYNOPSIS

Authorizes operation of lottery courier services.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 8/14/2015)

A4018 BURZICHELLI, CAPUTO

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1 AN ACT concerning lottery courier services and supplementing
2 P.L.1970, c.13 (C.5:9-1 et seq.).

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4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. For the purposes of this act:

8 a. "Lottery" or "State lottery" shall mean the lottery
9 established and operated pursuant to section 3 of P.L.1970,
10 c.13 (C.5:9-3).

11 b. "Courier service" shall mean a person or business entity that
12 is registered with the State Lottery Commission to purchase State
13 Lottery tickets on behalf of individuals within the State and
14 delivering those tickets to those individuals in the State as a
15 business-for-profit delivery service.

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17 2. The commission shall register and authorize a person or
18 entity to operate a courier service for the purchase and delivery of
19 State lottery tickets within the State of New Jersey.

20 Registration of any lottery courier service shall include, but shall
21 not be limited to, a check of credit reporting sources, other State
22 departments and agencies and criminal justice agencies, and the
23 commission shall adopt rules and regulations pursuant to the
24 "Administrative Procedure Act," P.L. 1968, c.410 (C.52:14B-1 et
25 seq.), as may be needed to substantiate the moral character of the
26 applicant and key personnel, and to effectuate section 2 of P.L. ,
27 c. (C.) (pending before the Legislature as this bill).

28 The authorized operation of registered courier services under this
29 act shall not constitute violations of N.J.S.2C:37-2 or N.J.S.2C:37-
30 3.

31 The authorized operation of a registered courier service under
32 this act shall not constitute the sale of lottery tickets, and therefore
33 charging a fee for the purchase and delivery of a ticket shall not
34 constitute a violation of section 14 of P.L.1970, c.13 (C.5:9-14).
35 However, no courier service may be licensed as a lottery sales agent
36 under section 11 of P.L.1970, c.13 (C.5:9-11). No courier service
37 shall be permitted to collect a portion of lottery winnings as part of
38 its fee.

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40 3. a. In lieu of delivery of a purchased lottery ticket to a
41 customer, a courier service may store such ticket on behalf of the
42 customer, with the customer's consent, if the courier service
43 provides an electronic receipt of the ticket purchased, including the
44 numbers of the ticket, and the customer has the option to obtain the
45 ticket for the purpose of redemption. Any courier service storing a
46 ticket on behalf of a customer shall maintain a secure database of all
47 stored lottery tickets, linked to the respective customers, and the
48 courier service shall notify the customer of any winning ticket

1 value, including but not limited any maximum prize, within 24
2 hours of a drawing. Any courier service authorized to operate
3 under this act shall be subject to random audits of such a database
4 by the commission.

5 b. The commission shall adopt rules and regulations pursuant
6 to the "Administrative Procedure Act," P.L. 1968, c.410 (C.52:14B-
7 1 et seq.), as may be needed to effectuate subsection a. of this
8 section. The commission may adopt rules and regulations to permit
9 a lottery courier service to redeem a lottery ticket on behalf of a
10 customer, in a manner that is secure for the customer and
11 transparent to the public, provided that no portion of any lottery
12 winnings is provided to the lottery courier service as a fee for
13 redemption of a ticket.

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15 4. This act shall take effect on the first day of the ninth month
16 following enactment, except that the commission may take any
17 anticipatory administrative action in advance as shall be necessary
18 for the implementation of this act.

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STATEMENT

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23 This bill would require the State Lottery Commission to register
24 and authorize the operation of courier services for the purchase and
25 delivery solely of State lottery tickets within the State of New
26 Jersey. No lottery ticket courier service would be permitted to
27 operate unless it has been registered with the State Lottery
28 Commission and has been authorized by the commission to operate
29 as a courier service.

30 Under this bill, a courier service may charge a delivery fee for
31 such service, but may not collect any portion of any lottery
32 winnings in connection with the courier service. Moreover, a
33 courier service would be able to store lottery tickets on behalf of its
34 customers with proper consent and the maintenance of a database
35 that would be subject to random audits by the commission.

36 Under this bill, the operation of a courier service would not
37 constitute the sale of lottery tickets, and lottery courier services
38 would not be permitted to obtain lottery sales agent licenses.
39 Additionally, the authorized operation of a lottery courier service
40 would not constitute gambling under this bill.

41 The bill further provides that the commission may establish
42 regulations allowing for courier services to redeem winning tickets
43 on behalf of clients, if proper steps are taken to ensure security of
44 the customer and transparency to the public.