

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2015

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SENATE BILL 728*

Short Title: Lottery - JLOC Recommendations. (Public)

Sponsors: Senator Tillman (Primary Sponsor).

Referred to: Finance

April 26, 2016

A BILL TO BE ENTITLED

AN ACT TO MAKE CHANGES TO THE NORTH CAROLINA STATE LOTTERY, AS RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON THE STATE LOTTERY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 18C-103(4) reads as rewritten:

"§ 18C-103. Definitions.

As used in this Chapter, unless the context requires otherwise:

...

(4) "Game" or "lottery game" means any procedure or amusement authorized by the Commission where prizes are distributed among persons who have paid, or unconditionally agreed to pay, for tickets or shares that provide the opportunity to win those prizes and does not utilize a video gaming machine as defined in G.S. 14-306.1(e); G.S. 14-306.1A(b) or a video lottery terminal."

SECTION 2. G.S. 18C-162 reads as rewritten:

"§ 18C-162. Allocation of revenues.

(a) The Commission shall allocate revenues to the North Carolina State Lottery Fund in order to increase and maximize the available revenues for education purposes, and to the extent practicable, shall adhere to the following guidelines:

- (1) At least fifty percent (50%) of the total annual revenues, as described in this Chapter, shall be returned to the public in the form of prizes.
(2) At least thirty-five percent (35%) of the total annual revenues, as described in this Chapter, shall be transferred as provided in G.S. 18C-164.
(3) No more than eight percent (8%) of the total annual revenues, as described in this Chapter, shall be allocated for payment of expenses of the Lottery. Advertising expenses shall not exceed one percent (1%) of the total annual revenues.
(4) No more than seven percent (7%) of the face value of tickets or shares, as described in this Chapter, shall be allocated for compensation paid to lottery game retailers.

(a1) Advertising costs shall not exceed two percent (2%) of the total annual revenues, as described in this Chapter.

(b) To the extent that the expenses of the Commission are less than eight percent (8%) of total annual revenues, the Commission may allocate any surplus funds:

- (1) To increase prize payments; or
(2) To the benefit of the public purposes as described in this Chapter.



1 (c) Unclaimed prize money shall be held separate and apart from the other revenues and
2 allocated as follows:

3 ~~(1) Fifty percent (50%) to enhance prizes under subdivision (a)(1) of this section.~~

4 ~~(2) Fifty percent (50%) to the Education Lottery Fund to be allocated in accordance~~
5 ~~with G.S. 18C-164(c)."~~

6 **SECTION 3.** G.S. 18C-163(b) reads as rewritten:

7 "(b) Expenses of the lottery shall also include ~~a~~all of the following:

8 (1) A transfer of two million one hundred thousand dollars (\$2,100,000) annually
9 to the Department of Public Safety, Alcohol Law Enforcement Branch, for
10 gambling enforcement activities.

11 (2) Advertising costs."

12 **SECTION 4.** This act becomes effective July 1, 2016.