GENERAL ASSEMBLY OF NORTH CAROLINA **SESSION 2017**

H.B. 1036 May 30, 2018 HOUSE PRINCIPAL CLERK

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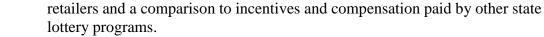
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HOUSE BILL DRH40725-MQz-125C*

Short Title: (Public) PED Lottery Recommendations. Representatives Horn and Lucas (Primary Sponsors). Sponsors: Referred to: A BILL TO BE ENTITLED AN ACT TO MAKE VARIOUS CHANGES TO THE NORTH CAROLINA STATE LOTTERY, AS RECOMMENDED BY THE JOINT LEGISLATIVE PROGRAM EVALUATION OVERSIGHT COMMITTEE. The General Assembly of North Carolina enacts: **SECTION 1.1.** G.S. 18C-114 reads as rewritten: "§ 18C-114. Powers and duties of the Commission. The Commission shall have the following powers and duties: (a) (9) To specify the manner of distribution, dissemination, or sale of lottery tickets or shares to lottery game retailers or directly to the public. To determine the incentives, if any, for any lottery employees, lottery retailers, (10)lottery contractors, or electronic computer terminal operators. (10a) To establish targets and implement strategies for optimal growth and density of lottery retailer participation. **SECTION 1.2.** G.S. 18C-115 is amended by adding a new subsection to read: Annual Reporting. – The Commission shall submit an annual report on or before "<u>(c)</u> December 1 to the Joint Legislative Oversight Committee on the North Carolina State Lottery and the Fiscal Research Division. The report shall include all of the following: A detailed summary of the targets and efforts to grow lottery retailer **(1)** participation pursuant to G.S. 18C-114(a)(10a) and the amount of growth attained during the previous year. A detailed summary of all efforts undertaken to measure the effectiveness of (2) proposed and utilized advertising upon the sales and revenue realized by the lottery." SECTION 2.1.(a) The Legislative Research Commission (LRC) shall study methods



Methods to expand the number of lottery outlets and retailers.

to increase sales revenue and funds transferred to the Education Lottery Fund. The study shall

include at least all of the following:

(1)

(2)

(3) The potential impact of changing the structure of retailer incentives and compensation upon the ability of the North Carolina State Lottery

An evaluation of the amount of incentives and compensation paid to lottery



1 Commission to expand the number of lottery retailers and outlets, per capita, 2 to the level of the lotteries of the top 10 states. 3 The cost to lottery retailers for participation in the North Carolina State (4) 4 Lottery, including, but not limited to, cash payout of prizes, technology, 5 security, labor costs, the cost of prepayment for tickets, and the impact on the 6 costs of lottery retailers in the sale of other products. 7 (5) A comparison of the North Carolina State Lottery to other state lotteries since 8 2005 with respect to the number of lottery retailers and outlets, incentives and 9 compensation paid to retailers, and costs to retailers for participation in the 10 lottery. 11 **SECTION 2.1.(b)** The LRC shall report its findings, together with any proposed 12 legislation on or before December 1, 2018, to the 2019 Regular Session of the 2019 General 13 Assembly upon its convening. 14 **SECTION 3.1.** G.S. 18C-130 reads as rewritten: "§ 18C-130. Types of lottery games; lottery games and lottery advertising; certain 15 disclosures and information to be provided. 16 17 18 (e) Lottery advertising shall be tastefully designed and presented in a manner to minimize 19 the appeal of lottery games to minors. The use of cartoon characters or of false, misleading, or 20 deceptive information in lottery advertising is prohibited. All advertising promoting the sale of 21 lottery tickets or shares for a particular game shall include the actual or estimated overall odds of 22 winning the game. 23 The Commission shall select advertising methods that maximize revenue generation 24

while minimizing the expenses of the lottery by utilizing data to assess the impact of different advertising strategies and forms of advertisement upon the amount of lottery sales.

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SECTION 4.1. This act is effective when it becomes law.