

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

**H.B 1038**  
**May 3, 2016**  
**HOUSE PRINCIPAL CLERK**

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HOUSE BILL DRH40542-MQz-90\* (03/10)

Short Title: Lottery - JLOC Recommendations.

(Public)

Sponsors: Representative Saine.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO MAKE CHANGES TO THE NORTH CAROLINA STATE LOTTERY, AS  
3 RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON THE  
4 STATE LOTTERY.

5 The General Assembly of North Carolina enacts:

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

7 "§ 18C-103. Definitions.

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

9 ...

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

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

16 "§ 18C-162. Allocation of revenues.

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

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

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

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

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



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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.