

October 19, 2020

SENATE BILL NO. 2842

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 2842 with my recommendations for reconsideration.

This bill expands the recent law, P.L.2018, c.79, which permits eligible organizations to conduct in-person raffles at large sporting venues, to allow the remote operation of these large sporting venue raffles. Specifically, the bill would authorize the use of the Internet or other electronic means to conduct the raffle and for the sale and purchase of tickets. Similar to the Internet casino wagering law, the bill provides that the raffle will be deemed to take place at the large sporting venue, regardless of a participant's physical location within this State, subject to the limitation that tickets may be sold only to persons physically located in the State.

Although the large sporting venue raffle law has been in place for only two years, it has enabled charitable organizations affiliated with professional and collegiate sports teams competing in events held at large sporting venues to raise much-needed funding for their charitable foundations and partners, support their good works, and promote awareness of important social causes. Unfortunately, as with most aspects of our lives, the coronavirus pandemic has had an adverse impact on these worthy endeavors, as social distancing and necessary health precautions have led to the cancellation of events in large sporting venues or otherwise limited the numbers of attendees in a way that has made this avenue for charitable solicitation and contribution untenable.

I commend the bill's sponsors for their recognition of a more subtle aspect of the coronavirus pandemic and their efforts to support and restore the viability of the charitable fundraising conduit provided through raffles held during events at large sporting venues. I am concerned, however, that the legislation may

be too broad in its approach, and would benefit from some additional safeguards to ensure the fairness and integrity of the offerings.

It is certainly reasonable and appropriate, in response to a public health emergency which has prevented fans from participating in charitable raffles at the stadium as they root on their hometown teams, to allow these game-day raffles to be conducted through the Internet or other electronic means. This expansion will enable ticketholders who would otherwise be in attendance at the event, and other loyal team followers, to show their generosity and support for the worthy charitable causes promoted at the venue by the participating organizations. However, the bill does not limit the remote conduct of raffles to just during the public health emergency, and I do not see the rationale for extending indefinitely this expanded authorization, once the public health emergency has passed and stadiums are again filled with fans. Accordingly, I propose amendments to specify that raffles at a large sporting venue may be conducted remotely while the Public Health Emergency declared in Executive Order No. 103 (2020) is in effect or whenever a declared Public Health Emergency is in effect.

Additionally, even this more limited, temporary expansion implicates a novel regulatory challenge for the Legalized Games of Chance Control Commission ("Commission"), which is charged with regulating games of chance such as raffles, bingo, and the like. None of the games of chance currently regulated by the Commission are offered on this scale or employ this type of technology, so changes to the bill are needed in order to help the Commission meet this new challenge. My recommended revisions will ensure, to the greatest extent possible, the fairness, integrity and security of the remote conduct of the raffle and related ticket sales online. These proposed changes include the express requirement that the Commission approve the measures, procedures, and controls being used by an organization to implement the remote conduct of the

raffle, including the use of geolocation technology to ensure that participants are located in the State, as well as the requirement that winning participants claim their prizes in person at the stadium or at the organization's headquarters or facilities, to ensure that necessary verifications take place.

My recommendations also propose informational disclosures to consumers, and authorize the Commission to consult with the Division of Gaming Enforcement, which has developed advanced technical expertise in reviewing the types of Internet technology that will be used to conduct raffles remotely, to facilitate the Commission's ability to expeditiously review the proposed methods and safeguards for the remote conduct of such raffles.

Therefore, I herewith return Senate Bill No. 2842 and recommend that it be amended as follows:

- | | |
|------------------------------------|--|
| <u>Page 2, Title, Line 2:</u> | After "venues" insert "during a declared public health emergency" |
| <u>Page 2, Section 1, Line 12:</u> | After "person" insert "at any time" |
| <u>Page 2, Section 1, Line 12:</u> | After "remotely" insert "while the Public Health Emergency declared by the Governor in Executive Order No. 103 of 2020 is in effect or whenever a Public Health Emergency, pursuant to the "Emergency Health Powers Act," P.L.2005, c.222 (C.26:13-1 et seq.), has been declared by the Governor and is in effect" |
| <u>Page 2, Section 1, Line 24:</u> | After "the" insert "large sporting venue and the specific event with which the conduct of the raffle is associated are conspicuously and specifically identified in conjunction with the raffles and remote ticket sales," |
| <u>Page 2, Section 1, Line 26:</u> | Delete "is" and insert "are" |
| <u>Page 2, Section 1, Line 27:</u> | After "ticket" insert ", and the drawing and the announcement of any winning raffle tickets occurs prior to the end of the event at the large sporting venue with which the raffle is associated" |

- Page 2, Section 1, Line 33: After "organization" insert "and the large sporting venue"
- Page 2, Section 1, Line 35: Delete "its website" and insert "their respective websites"
- Page 2, Section 1, Line 36: Delete "website has" and insert "websites have"
- Page 2, Section 1, Line 39: Delete "Any" and insert "For raffles conducted in person, any"
- Page 2, Section 1, Line 41: Delete "announcement" and insert "event in which the raffle took place"
- Page 3, Section 1, Line 5: After "use." insert "For any raffles conducted remotely while the Public Health Emergency declared by the Governor in Executive Order No. 103 of 2020 is in effect or whenever a Public Health Emergency, pursuant to the "Emergency Health Powers Act," P.L.2005, c.222 (C.26:13-1 et seq.), has been declared by the Governor and is in effect, any prize from a raffle shall be delivered at the large sporting venue at which the event with which the raffle was associated occurred to a claimant verified to have the winning ticket within one year of the event during which the raffle took place. If no claimant with the winning raffle ticket claims the prize and has signed all reasonably necessary documentation within one year from the date of the drawing, then the prize shall be forfeited and shall revert back to the organization for its own authorized use.
- Notwithstanding the foregoing, any prize which due to its nature must be claimed by a date certain, such as a ticket to an event scheduled at the large stadium venue, which is not claimed within 72 hours of the event, then the prize shall be forfeited and shall revert back to the organization for its own authorized use."
- Page 3, Section 1, Line 7: After "conducted" insert "at large sporting venues"
- Page 3, Section 1, Line 11: After "raffles" insert "in a large sporting venue"
- Page 3, Section 1, Line 30: After "venue" insert "and has received written approval from the Legalized Games of Chance"

Control Commission of measures it proposes and implements that ensure, to the greatest extent possible, the fairness, integrity and security of the remote conduct of the raffle and the security of the method of receipt of payment for any raffle ticket sale. The commission may consult with the Division of Gaming Enforcement in the Department of Law and Public Safety in its review of the measures the organization proposes and implements"

Page 3, Section 1, Line 41:

After "conducted" insert "in person"

Page 3, Section 1, Line 42:

After "sold" insert "only by in-person transactions within the geographic area of the large sporting venue"

Page 3, Section 1, Line 44:

Delete ", when in person,"

Page 3, Section 1, Line 46:

After "raffle." insert "Tickets for raffles conducted remotely while the Public Health Emergency declared by the Governor in Executive Order No. 103 of 2020 is in effect or whenever a Public Health Emergency, pursuant to the "Emergency Health Powers Act," P.L.2005, c.222 (C.26:13-1 et seq.), has been declared by the Governor and is in effect, may be sold remotely to purchasers physically located within this State, using the Internet or other electronic means, in accordance with this subsection."

Page 4, Section 1, Line 15:

Delete "sell tickets" and insert "establish and adhere to procedures and controls, including but not limited to the use of geolocation technology, approved by the commission that ensure, to the greatest extent possible, that raffle tickets will be sold"

Page 4, Section 1, Line 30:

After "raffle" insert "in person"

Page 4, Section 1, Lines 32-33:

Delete "may use only the Internet or other electronic means, including software applications,"

Page 4, Section 1, Line 34:

After "systems." insert "An organization conducting a raffle remotely at a large sporting

venue while the Public Health Emergency declared by the Governor in Executive Order No. 103 of 2020 is in effect or whenever a Public Health Emergency, pursuant to the "Emergency Health Powers Act," P.L.2005, c.222 (C.26:13-1 et seq.), has been declared by the Governor and is in effect, may also use the Internet or other electronic means, including software applications."

Page 5, Section 1, Line 1:

After "commission" insert ", in consultation with the Division of Gaming Enforcement in the Department of Law and Public Safety,"

Page 5, Section 2, Line 44:

After "sale" insert ", subject to the approval of the commission as required by section 1 of P.L.2018, c.79 (C.5:8-51.6)"

Respectfully,

/s/ Philip D. Murphy

Governor

[seal]

Attest:

/s/ Parimal Garg

Chief Counsel to the Governor