

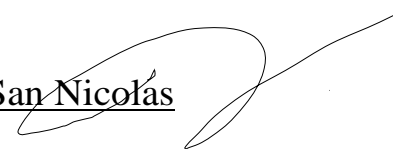
I Mina'trentai Siette Na Lihelaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
145-37 (COR)	Dwayne T.D. San Nicolas	AN ACT TO ADD A NEW §64.24 TO ARTICLE 1, CHAPTER 64, TITLE 9, GUAM CODE ANNOTATED, AND A NEW ARTICLE 3 TO CHAPTER 5, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO THE CREATION OF GOVERNMENT OF GUAM LOTTERY COMMISSION.	7/3/23 12:24 p.m.						

I MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN
2023 (FIRST) Regular Session

Bill No. 145-37 (COR)

Introduced by:

Dwayne T. D. San Nicolas 

**AN ACT TO ADD A NEW §64.24 TO ARTICLE 1,
CHAPTER 64, TITLE 9, GUAM CODE ANNOTATED,
AND A NEW ARTICLE 3 TO CHAPTER 5, TITLE 11,
GUAM CODE ANNOTATED, RELATIVE TO THE
CREATION OF GOVERNMENT OF GUAM LOTTERY
COMMISSION.**

BE IT ENACTED BY THE PEOPLE OF GUAM.

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds

that, by establishing a form of state lottery in *Guåhan* that is managed and administered by a Government of Guam commission, our island will be able to cultivate and form another industry that will further bolster our economy and create another revenue source that can be utilized for a variety of government programs or to address our island's financial burdens. In our country, forty-five states, the District of Columbia, the territories of Puerto Rico, and the U.S Virgin Islands all have government-controlled and managed lotteries that fund their programs and contribute to their finances. For instance, in California, revenues derived from their state lottery go directly into the funding of their public education, providing more than \$1.5 Billion in the fiscal year ending June 30, 2020 and more than \$37.5 Billion overall since the creation of their lottery commission in 1985, all according to the Popular Annual Financial Report of California State Lottery. In Arizona, revenues

1 derived from state lottery are used in the areas of economic development, higher
2 education, health and human services, and environmental conservation. By Arizona
3 Law, the state lottery is obligated to fund seventeen beneficiaries such as the state's
4 Supplemental Nutrition Program for Women, Infants, and Children (WIC) program,
5 the Local Transportation Assistance Fund II, Heritage Fund, and the Healthy
6 Families Arizona, which is a program that helps pregnant women and families of
7 newborns living with risk factors. Revenues from Arizona Lottery also contribute to
8 the state's General Fund. In the Arizona Lottery's Fiscal Year 2022 Annual Report,
9 about \$269 Million was allocated to these state-mandated programs, with one
10 program, the Court Appointed Special Advocates of Arizona (CASA), being solely
11 funded by the state lottery revenues. In the territory of U.S Virgin Islands, the
12 territorial lottery agency, the Virgin Islands Lottery, is one of the highest revenue
13 contributors to its treasury, providing an average of \$4 Million to several
14 government programs such as their public schools, the Veterans Affairs office, the
15 Pharmaceutical Assistance Program, and the General Fund. Using the model that
16 California, Arizona, the U.S Virgin Islands, forty-three other states, and Puerto Rico
17 are utilizing for their government-operated lotteries, *Guåhan* could similarly partake
18 in the benefits that the industry brings and provide an additional revenue source for
19 many of our government's programs.

20 With this justification, *I Liheslaturan Guåhan* intends to enact a legislation
21 that will allow Government-controlled and operated lottery, managed and operated
22 by a dedicated Government of Guam lottery commission. This legislation, if passed,
23 will create another revenue source that will be able to provide additional funds or
24 even completely fund a variety of government programs.

25 **Section 2.** A new §64.24 to Article 1, Chapter 64, Title 9, Guam Code
26 Annotated is hereby added to read as follows:

1 **“§ 64.24. Government of Guam Lottery Commission Exempted.**

2 Notwithstanding any other provision of Law, the Government of Guam Lottery
3 Commission shall be exempted from the provisions of this Chapter and shall be
4 authorized to conduct and administer lottery games under 11 GCA Chapter 5.

5 **Section 3.** A new Article 3 to Chapter 5, Title 11, Guam Code Annotated
6 is hereby added to read:

7 **“ARTICLE 3**

8 **GUÅHAN LOTTERY COMMISSION**

9 **§ 5301. Definitions.**

10 For purposes of this Chapter and unless otherwise specified, the following
11 words mean:

- 12 (a) **Commission** *means* the Guåhan Lottery Commission created
13 and operated pursuant to this Chapter.
- 14 (b) **Director** *means* the director of the Guåhan Lottery Commission
15 appointed by the Governor pursuant to this Chapter.
- 16 (c) **Lottery Game** *means* any lottery game authorized and
17 conducted by the Commission whereby persons who have
18 unconditionally paid for lottery tickets or shares sold by the
19 Commission that have the opportunity and chance to win prizes,
20 are awarded, or distributed among them, said prizes.
- 21 (d) **Retailer** *means* a person or organization contracted by the
22 Commission for the purpose of selling lottery tickets and shares
23 to the public.

24 **§ 5302. Guåhan Lottery Commission: Composition, Appointment of**
25 **Commissioners, Terms.**

1 There shall be a public corporation and autonomous instrumentality within the
2 Government of Guam, to wit, *Guåhan* Lottery Commission, composed of five (5)
3 members to be called Commissioners, who shall be selected as follows:

4 (a) The Governor of Guam shall, with the advice and consent of *I*
5 *Liheslaturan Guåhan*, appoint all members of the Commission within sixty (60) days
6 of enactment of this Chapter.

7 (b) The Commission shall have at least one (1) member that has a minimum
8 of five (5) years in the field of Law Enforcement, one (1) member that is a certified
9 public accountant, and one (1) with a minimum of five (5) years in the retail industry.
10 The remaining members shall be members of the business community.

11 (c) Except for the initial term, the terms of the members of the Commission
12 shall be for five (5) years and shall be staggered. Of the initially selected members,
13 one (1) member shall serve a term of one (1) year, two (2) shall serve a term of two
14 (2) years, and two (2) shall serve five (5) years. The Commission shall determine
15 which members shall serve the one (1) year term, the two (2) year terms, and the five
16 (5) year terms by drawing lots at the first meeting of the Commission.

17 (d) Any vacancies in the membership of the Commission shall be filled,
18 with advice and consent of *I Liheslaturan Guåhan*, by the Governor of Guam within
19 thirty (30) days for the remainder of the term in which they occur. The Governor of
20 Guam, with advice and consent of *I Liheslaturan Guåhan*, shall select an individual
21 that qualifies for the category of the vacant position.

22 (e) The Commission may remove or suspend for cause any member after
23 due notice and an opportunity to be heard at a public hearing.

24 (f) No courtesy resignation shall be requested by a new administration of
25 the Government of Guam nor shall any Commissioners offer to resign.

1 (g) No member of the Commission shall serve on any other board or
2 commission of the Government of Guam during their term as Commissioner of
3 Guåhan Lottery Commission.

4 (h) No member of the Commission shall be a director, deputy director,
5 appointed, or an unclassified employee of the Government of Guam. The
6 appointment of a member to the Commission shall be revoked and voided if he or
7 she shall become a director, deputy director, appointed, or an unclassified employee
8 of the Government of Guam, or if he or she accepts appointment to any other board
9 or commission.

10 (i) The Commission shall select a chairperson among its members
11 annually.

12 (j) No member of the Commission shall have pecuniary interest in any
13 contract or agreement entered into by the Commission.

14 (k) Commissioners shall be compensated at the rate of One Thousand
15 Dollars (\$1000.00) per month. Such compensation shall be apportioned by the
16 Guåhan Lottery Commission. Commissioners shall not be eligible for Government
17 of Guam retirement or insurance benefits, or other benefits associated with
18 Government of Guam employment.

19 (l) The Commission shall hold at least one (1) meeting each quarter.

20 **§ 5303. Powers and Duties of the Commission.**

21 (a) Notwithstanding any other provision of the Law, the Commission may
22 sell and purchase assets in its name.

23 (b) The Commission shall have regulatory oversight supervision set forth
24 in this Chapter in matters relating to lottery and shall perform the duties and exercise
25 the powers imposed or conferred upon by this Chapter.

26 (c) The Commission shall create and promulgate rules and regulations
27 regarding lottery games to be conducted by the Commission.

1 (d) The Commission shall regulate and specify the number and value of
2 prizes of winning tickets per lottery game. Prizes shall include, without limitation,
3 cash and merchandise prizes and annuities or deferred payments prizes.

4 (e) The Commission shall regulate the manner in which lottery tickets are
5 sold, and each lottery ticket shall have the estimated odds of winning printed and
6 displayed on it.

7 (f) The Commission may retain one (1) or more attorneys to advise the
8 Commission and the Executive Director on legal matters pertaining to the
9 Commission and shall represent the Commission in litigations the Commission is
10 involved or interested in. The Commission shall also determine the terms,
11 conditions, and compensation of employment of the attorney(s).

12 (g) The Commission may hold online lottery games in accordance to this
13 Chapter.

14 **§ 5304. Powers and Duties of the Director.**

15 (a) The Governor of Guam, with advice and consent of *I Liheslaturan*
16 *Guåhan*, shall appoint a Director within thirty (30) days of enactment of this
17 Chapter. The Director, as the head of the Commission, shall manage the affairs of
18 the Commission according to the powers provided by this Chapter.

19 (b) The Governor of Guam may remove the Director after notification to
20 the Commission and *I Liheslaturan Guåhan*.

21 (c) The Director shall, subject to the approval of the Commission, exercise
22 and discharge the duties and powers of the Commission pursuant to this Chapter.

23 (d) The Director, with the approval of the Commission, shall provide a
24 license to sell lottery tickets to persons determined to be qualified.

25 (e) In accordance with this Chapter and with the regulations promulgated
26 by the Commission, the Director shall supervise, manage, and administer the
27 operation of *Guåhan* Lottery Commission.

1 (f) The Director shall meet with the Commission at least once every
2 quarter regarding the operation and administration of the lottery.

3 (g) The Director shall authorize continuing study of the operation and
4 administration of the lottery with the intent of improving the lottery in accordance
5 to this Chapter.

6 (h) The Director shall create and keep records that accurately detail lottery
7 transactions, including the distribution of lottery game tickets to retailers, prize
8 disbursements and claims, receipt of funds, and financial transactions and expenses
9 of the lottery.

10 (i) Notwithstanding any other provision of the Law, the Director, with the
11 consent and advice of the Commission, shall be authorized to enter into contracts
12 and leases with other parties in the management and administration of the lottery.

13 (j) The Director shall have information and statistics regarding gambling
14 addiction posted in all locations where lottery is held.

15 **§ 5305. Restrictions.**

16 (a) No lottery game shall use casino-themed games such as blackjack,
17 baccarat, draw poker, lucky 7's, dice, roulette, slot machines, or dog racing.

18 (b) No persons under the age of twenty-one (21) shall be allowed to
19 participate in the operation and administration of the lottery and participate in any
20 lottery games.

21 (c) At all locations that sell lottery tickets and conduct and administer
22 lottery games, a notice that states that Guam Law prohibits the sale of lottery tickets
23 to persons under the age of twenty-one (21) and participation of persons under the
24 age of twenty-one (21) in lottery games shall be posted in a conspicuous place at all
25 times.

1 (d) No member of the Commission, the Director and their staff, and any
2 persons involved in the operation and administration of the lottery shall be allowed
3 to purchase lottery tickets and play in any lottery games.

4 **§ 5306. Funds.**

5 All fees, taxes, revenues, and penalties collected under this Chapter shall be
6 deposited into the Limited Gaming Fund.”

7 **Section 4. Effective Date.** This Act shall become effective upon enactment.

8 **Section 5. Severability.** *If* any of the provisions of this Act or the application
9 thereof to any person or circumstance is held invalid, such invalidity *shall not* affect
10 any other provision or application of this Act which can be given effect without the
11 invalid provision or application, and to this end the provisions of this Act are
12 severable.