

POLICY BRIEF

Regulating the Lottery

From the very beginning, we knew that handling the issue of a state lottery was going to be complicated. And now that Arkansas' voters have approved the ballot measure to create one for education scholarship purposes, it's time to make some decisions about the best way to move forward – and in particular, how to properly regulate the lottery. Here are some suggestions to consider:

1. Define state lotteries, and prohibit state-run casino gaming and other forms of gambling that are not paper lottery tickets.
2. Require the publishing of odds per prize as a part of all lottery advertisement or promotion, and at places where lottery tickets are sold.
3. Prohibit play by minors, and levy heavy fines on businesses where minors are allowed to play lotteries.
4. Restrict the lottery to paper (non-scratch-off) tickets only.
5. Specific prohibition of any electronic, video, or other non-paper lottery tickets.
6. Prohibit the Arkansas lottery from being joined with power-ball or any other state lottery.
7. Prohibit playing the Arkansas lottery online.
8. Limit the percentage of lottery funds that can be used for administration, prizes, advertising, promotion, and any other costs.
9. Limit the number of lottery outlets per population (similar to liquor stores).
10. Require any lottery management company to fully disclose their business dealings with the State of Arkansas.
11. Establish an independent lottery oversight committee (separate from any management company or state agency authorized to administer the lottery) with authority and funding to:
 - a. Gather statistical data on the lottery.
 - (1) Number of tickets sold in each Arkansas zip code.
 - (2) Effects of the lottery on college enrollment and graduation.
 - (3) Effects of lottery on low-income student enrollment and graduation.
 - (4) Monitor the amount of money spent on various aspects of the lottery, such as advertising, prizes, administrative costs, and other expenses.
 - b. Assess the costs versus benefits of the lottery, and publish a lottery performance review annually.
 - c. Follow-up on citizen complaints about the lottery.
 - d. Monitor and report on the activities of any management company hired to manage the Arkansas lottery.
12. Establish enforcement of lottery laws as well as lottery rules and regulations.
 - a. In addition to local enforcement, the State should have the ability to terminate lottery sales at businesses.
 - b. Enforcement not left solely at the discretion of local prosecutors.
 - c. Ability to levy fines or penalties for violation of lottery laws as well as rules and regulations.

