

NEW JERSEY MONITOR

N.J. lottery players can soon buy Mega Millions, Pick 6 through state website

Lawmakers and business owners allege state statute doesn't allow for direct online sales

By Sophie Nieto-Munoz , August 17, 2023

Lottery officials approved a rule Thursday to allow people to buy some tickets online directly from a state-run website and app, despite cries from small business owners and lawmakers that the change will hurt already struggling retailers.

The online sales for draw games like Mega Millions and Pick 6 will debut in late 2024, part of the New Jersey Lottery's bid to woo "new, younger players," said James Carey, executive director of the New Jersey Lottery.

"We believe that a lottery-managed online sales channel is essential to maintain our sales, our retailers' sales, and help grow the lottery and acquire new players," Carey said.

Lottery fans can already purchase lottery tickets through online couriers like Jackpot and Lotto, but the rule approved Thursday involves the direct sale of lottery tickets from the state. Pennsylvania and Michigan saw a bump in sales of all lottery products after launching online sales, according to Carey.

Scratch-offs, which make up 53% of lottery sales, won't be available online, he added.

The rule approved Thursday was proposed in July 2022, and a public comment period ended late last year.

The change has angered retailers and some lawmakers. The New Jersey Gasoline-Convenience Store-Automotive Association strongly condemned the move, saying it pits retail stores against the "very

government entity that is their supplier, distributor and chief advertiser.”

“I just can’t imagine that this won’t take business that would have otherwise been in neighborhood stores, whether that’s irregular players jumping in on a jackpot now doing it on their phone, or regular players making a portion of their purchases online,” said Eric Blomgren, chief administrator of the association.

Sen. Vin Gopal (D-Monmouth) said the decision will “devastate countless small businesses in the state.” He and Republican Sens. Declan O’Scanlon and Steve Oroho argue state law does not allow the state to sell lottery tickets directly to consumers.

“Why are we taking this action now? Why are we doing it so hastily and without face-to-face input? I’m open-minded, but when we take action hastily, it’s how we end up with crappy policy,” O’Scanlon said.

O’Scanlon (R-Monmouth) said this matter will likely end up in court. He didn’t say whether he would take it to court himself.

Michael DeLoreto of law firm Gibbons PC agreed that online sales aren’t permitted under state statute. DeLoreto, the only member of the public who spoke during Thursday’s commission meeting, said he was representing the New Jersey Food Council.

DeLoreto also expressed concern over online sales accepting credit cards instead of limiting them to debit cards. He said allowing people to charge lottery tickets doesn’t consider the “social impact that this may have as it relates to gambling disorders.”

Lottery officials said in a statement they will use age verification tools to prevent sales to minors.

Carey said the change is in the best interests of the state, the lottery, and retailers. He said officials will hold meetings statewide about the change.

“We will listen to them, and we will work with them to help them understand why we believe that this will be a win for both the lottery and the retailers, and to learn from the retailers what we can do to make this a positive experience,” he said.