
SENATE BILL 5336

State of Washington

53rd Legislature

1993 Regular Session

By Senators Wojahn, Talmadge and Moyer

Read first time 01/22/93. Referred to Committee on Labor & Commerce.

1 AN ACT Relating to Washington state gambling commission approval of
2 lotteries; and amending RCW 67.70.040 and 9.46.070.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 67.70.040 and 1991 c 359 s 1 are each amended to read
5 as follows:

6 The commission shall have the power, and it shall be its duty:

7 (1) To promulgate such rules governing the establishment and
8 operation of a state lottery as it deems necessary and desirable in
9 order that such a lottery be initiated at the earliest feasible and
10 practicable time, and in order that such lottery produce the maximum
11 amount of net revenues for the state consonant with the dignity of the
12 state and the general welfare of the people. Such rules shall include,
13 but shall not be limited to, the following:

14 (a) The type of lottery to be conducted which may include the
15 selling of tickets or shares. The commission shall obtain approval of
16 the Washington state gambling commission for any type of lottery
17 commenced after October 1, 1992. The use of electronic or mechanical
18 devices or video terminals which allow for individual play against such
19 devices or terminals shall be prohibited. Approval of the legislature

1 shall be required before entering any agreement with other state
2 lotteries to conduct shared games;

3 (b) The price, or prices, of tickets or shares in the lottery;

4 (c) The numbers and sizes of the prizes on the winning tickets or
5 shares;

6 (d) The manner of selecting the winning tickets or shares;

7 (e) The manner and time of payment of prizes to the holder of
8 winning tickets or shares which, at the director's option, may be paid
9 in lump sum amounts or installments over a period of years;

10 (f) The frequency of the drawings or selections of winning tickets
11 or shares, without limitation;

12 (g) Without limit as to number, the type or types of locations at
13 which tickets or shares may be sold;

14 (h) The method to be used in selling tickets or shares;

15 (i) The licensing of agents to sell or distribute tickets or
16 shares, except that a person under the age of eighteen shall not be
17 licensed as an agent;

18 (j) The manner and amount of compensation, if any, to be paid
19 licensed sales agents necessary to provide for the adequate
20 availability of tickets or shares to prospective buyers and for the
21 convenience of the public;

22 (k) The apportionment of the total revenues accruing from the sale
23 of lottery tickets or shares and from all other sources among: (i) The
24 payment of prizes to the holders of winning tickets or shares, which
25 shall not be less than forty-five percent of the gross annual revenue
26 from such lottery, less amounts of unclaimed prizes deposited in the
27 general fund under RCW 67.70.190 during the fiscal year ending June 30,
28 1989, (ii) transfers to the lottery administrative account created by
29 RCW 67.70.260, and (iii) transfer to the state's general fund.
30 Transfers to the state general fund shall be made in compliance with
31 RCW 43.01.050;

32 (l) Such other matters necessary or desirable for the efficient and
33 economical operation and administration of the lottery and for the
34 convenience of the purchasers of tickets or shares and the holders of
35 winning tickets or shares.

36 (2) To ensure that in each place authorized to sell lottery tickets
37 or shares, on the back of the ticket or share, and in any advertising
38 or promotion there shall be conspicuously displayed an estimate of the
39 probability of purchasing a winning ticket.

1 (3) To amend, repeal, or supplement any such rules from time to
2 time as it deems necessary or desirable.

3 (4) To advise and make recommendations to the director for the
4 operation and administration of the lottery.

5 **Sec. 2.** RCW 9.46.070 and 1987 c 4 s 38 are each amended to read as
6 follows:

7 The commission shall have the following powers and duties:

8 (1) To authorize and issue licenses for a period not to exceed one
9 year to bona fide charitable or nonprofit organizations approved by the
10 commission meeting the requirements of this chapter and any rules and
11 regulations adopted pursuant thereto permitting said organizations to
12 conduct bingo games, raffles, amusement games, and social card games,
13 to utilize punch boards and pull-tabs in accordance with the provisions
14 of this chapter and any rules and regulations adopted pursuant thereto
15 and to revoke or suspend said licenses for violation of any provisions
16 of this chapter or any rules and regulations adopted pursuant thereto:
17 PROVIDED, That the commission shall not deny a license to an otherwise
18 qualified applicant in an effort to limit the number of licenses to be
19 issued: PROVIDED FURTHER, That the commission or director shall not
20 issue, deny, suspend or revoke any license because of considerations of
21 race, sex, creed, color, or national origin: AND PROVIDED FURTHER,
22 That the commission may authorize the director to temporarily issue or
23 suspend licenses subject to final action by the commission;

24 (2) To authorize and issue licenses for a period not to exceed one
25 year to any person, association, or organization operating a business
26 primarily engaged in the selling of items of food or drink for
27 consumption on the premises, approved by the commission meeting the
28 requirements of this chapter and any rules and regulations adopted
29 pursuant thereto permitting said person, association, or organization
30 to utilize punch boards and pull-tabs and to conduct social card games
31 as a commercial stimulant in accordance with the provisions of this
32 chapter and any rules and regulations adopted pursuant thereto and to
33 revoke or suspend said licenses for violation of any provisions of this
34 chapter and any rules and regulations adopted pursuant thereto:
35 PROVIDED, That the commission shall not deny a license to an otherwise
36 qualified applicant in an effort to limit the number of licenses to be
37 issued: PROVIDED FURTHER, That the commission may authorize the

1 director to temporarily issue or suspend licenses subject to final
2 action by the commission;

3 (3) To authorize and issue licenses for a period not to exceed one
4 year to any person, association, or organization approved by the
5 commission meeting the requirements of this chapter and meeting the
6 requirements of any rules and regulations adopted by the commission
7 pursuant to this chapter as now or hereafter amended, permitting said
8 person, association, or organization to conduct or operate amusement
9 games in such manner and at such locations as the commission may
10 determine;

11 (4) To authorize, require, and issue, for a period not to exceed
12 one year, such licenses as the commission may by rule provide, to any
13 person, association, or organization to engage in the selling,
14 distributing, or otherwise supplying or in the manufacturing of devices
15 for use within this state for those activities authorized by this
16 chapter;

17 (5) To establish a schedule of annual license fees for carrying on
18 specific gambling activities upon the premises, and for such other
19 activities as may be licensed by the commission, which fees shall
20 provide to the commission not less than an amount of money adequate to
21 cover all costs incurred by the commission relative to licensing under
22 this chapter and the enforcement by the commission of the provisions of
23 this chapter and rules and regulations adopted pursuant thereto:
24 PROVIDED, That all licensing fees shall be submitted with an
25 application therefor and such portion of said fee as the commission may
26 determine, based upon its cost of processing and investigation, shall
27 be retained by the commission upon the withdrawal or denial of any such
28 license application as its reasonable expense for processing the
29 application and investigation into the granting thereof: PROVIDED
30 FURTHER, That if in a particular case the basic license fee established
31 by the commission for a particular class of license is less than the
32 commission's actual expenses to investigate that particular
33 application, the commission may at any time charge to that applicant
34 such additional fees as are necessary to pay the commission for those
35 costs. The commission may decline to proceed with its investigation
36 and no license shall be issued until the commission has been fully paid
37 therefor by the applicant: AND PROVIDED FURTHER, That the commission
38 may establish fees for the furnishing by it to licensees of
39 identification stamps to be affixed to such devices and equipment as

1 required by the commission and for such other special services or
2 programs required or offered by the commission, the amount of each of
3 these fees to be not less than is adequate to offset the cost to the
4 commission of the stamps and of administering their dispersal to
5 licensees or the cost of administering such other special services,
6 requirements or programs;

7 (6) To prescribe the manner and method of payment of taxes, fees
8 and penalties to be paid to or collected by the commission;

9 (7) To require that applications for all licenses contain such
10 information as may be required by the commission: PROVIDED, That all
11 persons (a) having a managerial or ownership interest in any gambling
12 activity, or the building in which any gambling activity occurs, or the
13 equipment to be used for any gambling activity, or (b) participating as
14 an employee in the operation of any gambling activity, shall be listed
15 on the application for the license and the applicant shall certify on
16 the application, under oath, that the persons named on the application
17 are all of the persons known to have an interest in any gambling
18 activity, building, or equipment by the person making such application:
19 PROVIDED FURTHER, That the commission may require fingerprinting and
20 background checks on any persons seeking licenses under this chapter or
21 of any person holding an interest in any gambling activity, building,
22 or equipment to be used therefor, or of any person participating as an
23 employee in the operation of any gambling activity;

24 (8) To require that any license holder maintain records as directed
25 by the commission and submit such reports as the commission may deem
26 necessary;

27 (9) To require that all income from bingo games, raffles, and
28 amusement games be recorded and reported as established by rule or
29 regulation of the commission to the extent deemed necessary by
30 considering the scope and character of the gambling activity in such a
31 manner that will disclose gross income from any gambling activity,
32 amounts received from each player, the nature and value of prizes, and
33 the fact of distributions of such prizes to the winners thereof;

34 (10) To regulate and establish maximum limitations on income
35 derived from bingo: PROVIDED, That in establishing limitations
36 pursuant to this subsection the commission shall take into account (i)
37 the nature, character, and scope of the activities of the licensee;
38 (ii) the source of all other income of the licensee; and (iii) the

1 percentage or extent to which income derived from bingo is used for
2 charitable, as distinguished from nonprofit, purposes;

3 (11) To regulate and establish the type and scope of and manner of
4 conducting the gambling activities authorized by this chapter,
5 including but not limited to, the extent of wager, money, or other
6 thing of value which may be wagered or contributed or won by a player
7 in any such activities;

8 (12) To regulate the collection of and the accounting for the fee
9 which may be imposed by an organization, corporation or person licensed
10 to conduct a social card game on a person desiring to become a player
11 in a social card game in accordance with RCW 9.46.0281(4);

12 (13) To cooperate with and secure the cooperation of county, city,
13 and other local or state agencies in investigating any matter within
14 the scope of its duties and responsibilities;

15 (14) In accordance with RCW 9.46.080, to adopt such rules and
16 regulations as are deemed necessary to carry out the purposes and
17 provisions of this chapter. All rules and regulations shall be adopted
18 pursuant to the administrative procedure act, chapter 34.05 RCW;

19 (15) To set forth for the perusal of counties, city-counties,
20 cities and towns, model ordinances by which any legislative authority
21 thereof may enter into the taxing of any gambling activity authorized
22 by this chapter;

23 (16) To establish and regulate a maximum limit on salaries or wages
24 which may be paid to persons employed in connection with activities
25 conducted by bona fide charitable or nonprofit organizations and
26 authorized by this chapter, where payment of such persons is allowed,
27 and to regulate and establish maximum limits for other expenses in
28 connection with such authorized activities, including but not limited
29 to rent or lease payments.

30 In establishing these maximum limits the commission shall take into
31 account the amount of income received, or expected to be received, from
32 the class of activities to which the limits will apply and the amount
33 of money the games could generate for authorized charitable or
34 nonprofit purposes absent such expenses. The commission may also take
35 into account, in its discretion, other factors, including but not
36 limited to, the local prevailing wage scale and whether charitable
37 purposes are benefited by the activities;

38 (17) To authorize, require, and issue for a period not to exceed
39 one year such licenses or permits, for which the commission may by rule

1 provide, to any person to work for any operator of any gambling
2 activity authorized by this chapter in connection with that activity,
3 or any manufacturer, supplier, or distributor of devices for those
4 activities in connection with such business. The commission shall not
5 require that persons working solely as volunteers in an authorized
6 activity conducted by a bona fide charitable or bona fide nonprofit
7 organization, who receive no compensation of any kind for any purpose
8 from that organization, and who have no managerial or supervisory
9 responsibility in connection with that activity, be licensed to do such
10 work. The commission may require that licensees employing such
11 unlicensed volunteers submit to the commission periodically a list of
12 the names, addresses, and dates of birth of the volunteers. If any
13 volunteer is not approved by the commission, the commission may require
14 that the licensee not allow that person to work in connection with the
15 licensed activity;

16 (18) To publish and make available at the office of the commission
17 or elsewhere to anyone requesting it a list of the commission
18 licensees, including the name, address, type of license, and license
19 number of each licensee;

20 (19) To establish guidelines for determining what constitutes
21 active membership in bona fide nonprofit or charitable organizations
22 for the purposes of this chapter;

23 (20) To approve lotteries under RCW 67.70.040; and

24 ~~((+20))~~ (21) To perform all other matters and things necessary to
25 carry out the purposes and provisions of this chapter.

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