
HOUSE BILL 2300

State of Washington 61st Legislature 2009 Regular Session

By Representatives Ericks, Condotta, Conway, and Kenney

Read first time 03/02/09. Referred to Committee on Ways & Means.

1 AN ACT Relating to allowing the state lottery to enter into
2 agreements to conduct multistate shared games; and amending RCW
3 67.70.040, 67.70.044, and 67.70.340.

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

5 **Sec. 1.** RCW 67.70.040 and 2006 c 290 s 3 are each amended to read
6 as follows:

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

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

15 (a) The type of lottery to be conducted which may include the
16 selling of tickets or shares, but such tickets or shares may not be
17 sold over the internet. The use of electronic or mechanical devices or
18 video terminals which allow for individual play against such devices or
19 terminals shall be prohibited. An affirmative vote of sixty percent of

1 both houses of the legislature is required before offering any game
2 allowing or requiring a player to become eligible for a prize or to
3 otherwise play any portion of the game by interacting with any device
4 or terminal involving digital, video, or other electronic
5 representations of any game of chance, including scratch tickets, pull-
6 tabs, bingo, poker or other cards, dice, roulette, keno, or slot
7 machines. (~~Approval of the legislature shall be required before~~
8 ~~entering any agreement with other state lotteries~~) The state lottery
9 may enter into agreements to conduct multistate shared games;

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

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

13 (d) The manner of selecting the winning tickets or shares, except
14 as limited by (a) of this subsection;

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

18 (f) The frequency of the drawings or selections of winning tickets
19 or shares. Approval of the legislature is required before conducting
20 any online game in which the drawing or selection of winning tickets
21 occurs more frequently than once every twenty-four hours;

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

24 (h) The method to be used in selling tickets or shares, except as
25 limited by (a) of this subsection;

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

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

33 (k) The apportionment of the total revenues accruing from the sale
34 of lottery tickets or shares and from all other sources among: (i) The
35 payment of prizes to the holders of winning tickets or shares, which
36 shall not be less than forty-five percent of the gross annual revenue
37 from such lottery, (ii) transfers to the lottery administrative account

1 created by RCW 67.70.260, and (iii) transfer to the state's general
2 fund. Transfers to the state general fund shall be made in compliance
3 with RCW 43.01.050;

4 (1) Such other matters necessary or desirable for the efficient and
5 economical operation and administration of the lottery and for the
6 convenience of the purchasers of tickets or shares and the holders of
7 winning tickets or shares.

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

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

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

16 **Sec. 2.** RCW 67.70.044 and 2002 c 349 s 2 are each amended to read
17 as follows:

18 (1) Pursuant to RCW 67.70.040(1)(a), the ~~((commission))~~ state
19 lottery may enter into ~~((the))~~ agreements to conduct multistate
20 ~~((agreement establishing a))~~ shared games ~~((lottery known as "The Big~~
21 ~~Game," that was entered into by party state lotteries in August 1996~~
22 ~~and subsequently amended))~~.

23 (2) The multistate shared games ~~((lottery))~~ account is created as
24 a separate account outside the state treasury. The account is managed,
25 maintained, and controlled by the commission and consists of all
26 revenues received from the sale of multistate shared games ~~((lottery))~~
27 tickets or shares, and all other moneys credited or transferred to it
28 from any other fund or source under law. The account is allotted
29 according to chapter 43.88 RCW.

30 **Sec. 3.** RCW 67.70.340 and 2005 c 369 s 4 are each amended to read
31 as follows:

32 (1) The legislature recognizes that ~~((creating a))~~ multistate
33 shared games ~~((lottery))~~ could result in less revenue being raised by
34 the existing state lottery ticket sales. The legislature further
35 recognizes that the two funds most impacted by this potential event are
36 the student achievement fund and the education construction account.

1 Therefore, it is the intent of the legislature to use some of the
2 proceeds from ~~((the))~~ multistate shared games ~~((lottery))~~ to make up
3 the difference that the potential state lottery revenue loss would have
4 on the student achievement fund and the education construction account.
5 The legislature further intends to use some of the proceeds from
6 ~~((the))~~ multistate shared games ~~((lottery))~~ to fund programs and
7 services related to problem and pathological gambling.

8 (2) The student achievement fund and the education construction
9 account are expected to collectively receive one hundred two million
10 dollars annually from state lottery games other than ~~((the))~~ multistate
11 shared games ~~((lottery))~~. For fiscal year 2003 and thereafter, if the
12 amount of lottery revenues earmarked for the student achievement fund
13 and the education construction account is less than one hundred two
14 million dollars, the ~~((commission))~~ state lottery, after making the
15 transfer required under subsection (3) of this section, must transfer
16 sufficient moneys from revenues derived from ~~((the))~~ multistate shared
17 games ~~((lottery))~~ into the student achievement fund and the education
18 construction account to bring the total revenue up to one hundred two
19 million dollars. The funds transferred from the multistate shared
20 games ~~((lottery))~~ account under this subsection must be divided between
21 the student achievement fund and the education construction account in
22 a manner consistent with RCW 67.70.240(3).

23 (3)(a) The ~~((commission))~~ state lottery shall transfer, from
24 revenue derived from ~~((the))~~ multistate shared games ~~((lottery))~~, to
25 the problem gambling account created in RCW 43.20A.892, an amount equal
26 to the percentage specified in (b) of this subsection of net receipts.
27 For purposes of this subsection, "net receipts" means the difference
28 between (i) revenue received from the sale of lottery tickets or shares
29 and revenue received from the sale of multistate shared games
30 ~~((lottery))~~ tickets or shares; and (ii) the sum of payments made to
31 winners.

32 (b) In fiscal year 2006, the percentage to be transferred to the
33 problem gambling account is one-tenth of one percent. In fiscal year
34 2007 and subsequent fiscal years, the percentage to be transferred to
35 the problem gambling account is thirteen one-hundredths of one percent.

36 (4) The remaining net revenues, if any, in the multistate shared

1 games (~~lottery~~) account after the transfers pursuant to this section
2 shall be deposited into the general fund.

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