
Government Accountability & Oversight Committee

HB 2279

Brief Description: Authorizing alternative sources for the state lottery.

Sponsors: Representatives Holy, Condotta and Hurst; by request of Washington State Lottery.

Brief Summary of Bill

- Authorizes the Washington State Lottery (Lottery) to sell advertising space on the lottery web site.
- Authorizes the Lottery to charge fees for the use of the Lottery logo or trademark by any person or entity.

Hearing Date: 1/20/14

Staff: Thamas Osborn (786-7129).

Background:

Washington State Lottery

The Washington State Lottery (Lottery) was established in 1982. Lottery revenues, after payment of prizes and administrative expenses, are used for education construction, paying off stadium bonds, problem gambling services, economic development, and the General Fund. It is governed by a five member commission (Commission) appointed by the Governor.

Website Advertising

There are many different types of advertisements that can be posted on or accessed through internet websites. Traditional display or banner advertisements typically run across the top or down the right side of a webpage. The price for posting such advertisements is often determined based on the number of times the advertisement is accessed by an internet user. Another type of website advertisement, called "sponsorships," are short descriptions of an advertiser's offerings with links to the advertiser's website. These sponsorship advertisements can take many different

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forms on a webpage. Generally, they are sold at a specified price for a specified period of time. Business listing advertisements consist of lists of businesses arranged on a website by category, such as hotels or restaurants. These business listing advertisements are generally sold at an annual set price. The various types of website advertisements include links to the advertiser's own website.

Website advertising pilot project by the Washington State Department of Transportation

The 2009-2011 Transportation Budget included a \$50,000 budget proviso for the Washington State Department of Transportation (WSDOT) to “investigate the potential to generate revenue from website sponsorships and similar ventures and, if feasible, pursue partnership opportunities.” The WSDOT's Public-Private Partnerships Office worked with a team of consultants to analyze how WSDOT could leverage its website to generate a new revenue source through website advertisements. The study concluded that, if managed well, selling advertisements on WSDOT's website could generate revenue.

With the exception of WSDOT's pilot project, as authorized through the Transportation Budget, state law does not authorize state agencies to sell website advertisements.

Summary of Bill:

Beginning on September 1, 2014, the Director of the Lottery is authorized to begin selling advertising space on the Lottery's web site, subject to the following conditions:

- the web site must include a statement disclaiming any endorsement of advertisements displayed on the web site;
- the commission must establish policy, style, and content guidelines for advertisements; and
- revenues obtained through web site advertising must be deposited in the State Lottery Account.

The Director is also authorized to charge a fee for the use of the Lottery logo or trademark by any person or entity, provided such charges are imposed in accordance with policies and content guidelines established by the Commission. Revenue generated through such fees must be deposited in the State Lottery Account.

Appropriation: None.

Fiscal Note: Requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.