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HOUSE BILL 1835

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State of Washington

63rd Legislature

2013 Regular Session

By Representatives Hunt, Condotta, and Ryu

Read first time 02/12/13. Referred to Committee on Government  
Accountability & Oversight.

1 AN ACT Relating to enhanced raffles; and adding a new section to  
2 chapter 9.46 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 9.46 RCW  
5 to read as follows:

6 (1) A bona fide charitable or nonprofit organization, as defined in  
7 RCW 9.46.0209, whose primary purpose is serving individuals with  
8 intellectual disabilities may conduct enhanced raffles if licensed by  
9 the commission.

10 (2) The commission has the authority to approve two enhanced  
11 raffles per calendar year for western Washington and two enhanced  
12 raffles per calendar year for eastern Washington. Whether the enhanced  
13 raffle occurs in western Washington or eastern Washington will be  
14 determined by the location where the grand prize winning ticket is to  
15 be drawn as stated on the organization's application to the commission.  
16 An enhanced raffle is considered approved when voted on by the  
17 commission.

18 (3) The commission has the authority to approve enhanced raffles  
19 under the following conditions:

- 1 (a) The value of the grand prize must not exceed five million  
2 dollars.
- 3 (b) Sales may be made in person, by mail, by fax, or by telephone  
4 only.
- 5 (c) Tickets purchased as part of a multiple ticket package may be  
6 purchased at a discount.
- 7 (d) Multiple smaller prizes are authorized during the course of an  
8 enhanced raffle for a grand prize including, but not limited to, early  
9 bird, refer a friend, and multiple ticket drawings.
- 10 (e) A purchase contract is not necessary for smaller noncash  
11 prizes, but the bona fide charitable or nonprofit organization must be  
12 able to demonstrate that such a prize is available and sufficient funds  
13 are held in reserve in the event that the winner chooses a noncash  
14 prize.
- 15 (f) All enhanced raffles and associated smaller raffles must be  
16 independently audited, as defined by the commission during rule making.  
17 The audit results must be reported to the commission.
- 18 (g) Call centers, when licensed by the commission, are authorized.  
19 The bona fide charitable or nonprofit organization may contract with a  
20 call center vendor to receive enhanced raffle ticket sales. The vendor  
21 may not solicit sales. The vendor may be located outside the state,  
22 but the bona fide charitable or nonprofit organization must have a  
23 contractual relationship with the vendor stating that the vendor must  
24 comply with all applicable Washington state laws and rules.
- 25 (h) The bona fide charitable or nonprofit organization must be the  
26 primary recipient of the funds raised.
- 27 (i) Sales data may be transmitted electronically from the vendor to  
28 the bona fide charitable or nonprofit organization. Credit cards,  
29 issued by a state regulated or federally regulated financial  
30 institution, may be used for payment to participate in enhanced  
31 raffles.
- 32 (j) Receipts including ticket confirmation numbers may be sent to  
33 ticket purchasers either by mail or by e-mail.
- 34 (k) In the event the bona fide charitable or nonprofit organization  
35 determines ticket sales are insufficient to qualify for a complete  
36 enhanced raffle to move forward, the enhanced raffle winner must  
37 receive fifty percent of the net proceeds in excess of expenses as the  
38 grand prize. The enhanced raffle winner will receive a choice between

1 an annuity value equal to fifty percent of the net proceeds in excess  
2 of expenses paid by annuity over twenty years, or a one-time cash  
3 payment of seventy percent of the annuity value.

4 (1) A bona fide charitable or nonprofit organization is authorized  
5 to hire a consultant licensed by the commission to run an enhanced  
6 raffle; in addition, the bona fide charitable or nonprofit organization  
7 must have a dedicated employee who is responsible for oversight of  
8 enhanced raffle operations. The bona fide charitable or nonprofit  
9 organization is ultimately responsible for ensuring that an enhanced  
10 raffle is conducted in accordance with all applicable state laws and  
11 rules.

12 (4) The commission has the authority to set fees for bona fide  
13 charitable or nonprofit organizations, call center vendors, and  
14 consultants conducting enhanced raffles authorized under this section.

15 (5) The commission has the authority to adopt rules governing the  
16 licensing and operation of enhanced raffles.

17 (6) Except as specifically authorized in this section, enhanced  
18 raffles must be held in accordance with all other requirements of this  
19 chapter, other applicable laws, and rules of the commission.

20 (7) For the purposes of this section:

21 (a) "Enhanced raffle" means a game in which tickets bearing an  
22 individual number are sold for not more than two hundred fifty dollars  
23 each and in which a grand prize and smaller prizes are awarded on the  
24 basis of drawings from the tickets by the person or persons conducting  
25 the game. An enhanced raffle may include additional related entries  
26 and drawings, such as early bird, refer a friend, and multiple ticket  
27 drawings when the bona fide charitable or nonprofit organization  
28 establishes the eligibility standards for such entries and drawings  
29 before any enhanced raffle tickets are sold. No drawing may occur by  
30 using a random number generator or similar means.

31 (b) "Early bird drawing" means a separate drawing for a separate  
32 prize held prior to the grand prize drawing. All tickets entered into  
33 the early bird drawing, including all early bird winning tickets, are  
34 entered into subsequent early bird drawings, and also entered into the  
35 drawing for the grand prize.

36 (c) "Refer a friend drawing" means a completely separate drawing,  
37 using tickets distinct from those for the enhanced raffle, for a  
38 separate prize held at the conclusion of the enhanced raffle for all

1 enhanced raffle ticket purchasers, known as the referring friend, who  
2 refer other persons to the enhanced raffle when the other person  
3 ultimately purchases an enhanced raffle ticket. The referring friend  
4 will receive one ticket for each friend referred specifically for the  
5 refer a friend drawing. In addition, each friend referred could also  
6 become a referring friend and receive his or her own additional ticket  
7 for the refer a friend drawing.

8 (d) "Multiple ticket drawing" means a completely separate drawing,  
9 using tickets distinct from those for the enhanced raffle, for a  
10 separate prize held at the conclusion of the enhanced raffle for all  
11 enhanced raffle ticket purchasers who purchase a specified number of  
12 enhanced raffle tickets. For example, a multiple ticket drawing could  
13 include persons who purchase three or more enhanced raffle tickets in  
14 the same order, using the same payment information, with tickets in the  
15 same person's name. For each eligible enhanced raffle ticket purchased,  
16 the purchaser also receives a ticket for the multiple ticket drawing  
17 prize.

18 (e) "Western Washington" includes those counties west of the  
19 Cascade mountains, including Clallam, Clark, Cowlitz, Grays Harbor,  
20 Island, Jefferson, King, Kitsap, Lewis, Mason, Pacific, Pierce, San  
21 Juan, Skagit, Skamania, Snohomish, Thurston, Wahkiakum, and Whatcom.

22 (f) "Eastern Washington" includes those counties east of the  
23 Cascade mountains that are not listed in (e) of this subsection.

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