

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 5723

63rd Legislature
2013 Regular Session

Passed by the Senate April 23, 2013
YEAS 36 NAYS 12

President of the Senate

Passed by the House April 12, 2013
YEAS 94 NAYS 2

Speaker of the House of Representatives

Approved

Governor of the State of Washington

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5723** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 5723

AS AMENDED BY THE HOUSE

Passed Legislature - 2013 Regular Session

State of Washington 63rd Legislature 2013 Regular Session

By Senate Commerce & Labor (originally sponsored by Senators Hewitt, Conway, Brown, and Kline)

READ FIRST TIME 02/21/13.

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

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. Raffle ticket order forms may be printed from the bona fide
5 charitable or nonprofit organization's web site. Obtaining the form in
6 this manner does not constitute a sale.

7 (c) Tickets purchased as part of a multiple ticket package may be
8 purchased at a discount.

9 (d) Multiple smaller prizes are authorized during the course of an
10 enhanced raffle for a grand prize including, but not limited to, early
11 bird, refer a friend, and multiple ticket drawings.

12 (e) A purchase contract is not necessary for smaller noncash
13 prizes, but the bona fide charitable or nonprofit organization must be
14 able to demonstrate that such a prize is available and sufficient funds
15 are held in reserve in the event that the winner chooses a noncash
16 prize.

17 (f) All enhanced raffles and associated smaller raffles must be
18 independently audited, as defined by the commission during rule making.
19 The audit results must be reported to the commission.

20 (g) Call centers, when licensed by the commission, are authorized.
21 The bona fide charitable or nonprofit organization may contract with a
22 call center vendor to receive enhanced raffle ticket sales. The vendor
23 may not solicit sales. The vendor may be located outside the state,
24 but the bona fide charitable or nonprofit organization must have a
25 contractual relationship with the vendor stating that the vendor must
26 comply with all applicable Washington state laws and rules.

27 (h) The bona fide charitable or nonprofit organization must be the
28 primary recipient of the funds raised.

29 (i) Sales data may be transmitted electronically from the vendor to
30 the bona fide charitable or nonprofit organization. Credit cards,
31 issued by a state regulated or federally regulated financial
32 institution, may be used for payment to participate in enhanced
33 raffles.

34 (j) Receipts including ticket confirmation numbers may be sent to
35 ticket purchasers either by mail or by e-mail.

36 (k) In the event the bona fide charitable or nonprofit organization
37 determines ticket sales are insufficient to qualify for a complete
38 enhanced raffle to move forward, the enhanced raffle winner must

1 receive fifty percent of the net proceeds in excess of expenses as the
2 grand prize. The enhanced raffle winner will receive a choice between
3 an annuity value equal to fifty percent of the net proceeds in excess
4 of expenses paid by annuity over twenty years, or a one-time cash
5 payment of seventy percent of the annuity value.

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

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

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

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

22 (7) For the purposes of this section:

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

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

1 (c) "Refer a friend drawing" means a completely separate drawing,
2 using tickets distinct from those for the enhanced raffle, for a
3 separate prize held at the conclusion of the enhanced raffle for all
4 enhanced raffle ticket purchasers, known as the referring friend, who
5 refer other persons to the enhanced raffle when the other person
6 ultimately purchases an enhanced raffle ticket. The referring friend
7 will receive one ticket for each friend referred specifically for the
8 refer a friend drawing. In addition, each friend referred could also
9 become a referring friend and receive his or her own additional ticket
10 for the refer a friend drawing.

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

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

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

27 (8) By December 2016, the commission must report back to the
28 appropriate committees of the legislature on enhanced raffles. The
29 report must include results of the raffles, revenue generated by the
30 raffles, and identify any state or federal regulatory actions taken in
31 relation to enhanced raffles in Washington. The report must also make
32 recommendations, if any, for policy changes to the enhanced raffle
33 authority.

34 (9) This section expires June 30, 2017.

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