

HOUSE BILL REPORT

HB 2411

*As Reported By House Committee on:
Commerce & Labor*

Title: An act relating to the state lottery.

Brief Description: Providing for the reduction of problem gambling.

Sponsor(s): Representatives O'Brien, G. Cole, Heavey and Scott.

Brief History:

Reported by House Committee on:
Commerce & Labor, January 31, 1992, DPS.

**HOUSE COMMITTEE ON
COMMERCE & LABOR**

Majority Report: *The substitute bill be substituted therefor and the substitute bill do pass.* Signed by 11 members: Representatives Heavey, Chair; G. Cole, Vice Chair; Fuhrman, Ranking Minority Member; Lisk, Assistant Ranking Minority Member; Franklin; Jones; R. King; O'Brien; Prentice; Vance; and Wilson.

Staff: Jim Kelley (786-7166).

Background: Money in the state lottery account is used only for: the payment of prizes to the holders of winning lottery tickets or shares; deposit into the reserve account and the lottery administrative account; deposit into the state's general fund; the purchase and promotion of lottery games and game-related services; and the payment of agent compensation.

Despite the language in the statute indicating that money in the lottery account may be used for making deposits into the housing trust fund, no lottery money is deposited into that fund. The legislation that was to provide funding from the lottery to the housing trust fund was never enacted.

Summary of Substitute Bill: A nonprofit state-based organization, selected by the Office of Financial Management, with expertise in public education, research, training, treatment, and prevention of problem and compulsive gambling, is given the following duties: (1) to

maintain a toll-free "800" compulsive gambling telephone line to provide crisis counseling and referral services; (2) to promote public awareness about compulsive gambling; (3) to facilitate the availability of effective assistance programs for problem or compulsive gamblers; and (4) to conduct studies identifying populations who are, or are at risk of becoming, problem or compulsive gamblers.

The compulsive gambling fund is created in the custody of the state treasurer. The state treasurer is authorized to receive gifts, grants, donations, devices, and bequests of moneys for this fund from a governmental agency, public or private entity, or an individual contributor. The fund shall be used for the purposes of the nonprofit organization selected to carry out the purposes of this act.

An unspecified amount of money from the state lottery account may be used to carry out the purposes of this act.

The superfluous language concerning the housing trust fund in the state lottery statute is eliminated.

Substitute Bill Compared to Original Bill: In the substitute bill, the Legislature recognizes in its findings that the Gambling Commission and the Horse Racing Commission, in addition to the Lottery Commission, have a responsibility to address problems exacerbated by gambling.

Fiscal Note: Requested January 24, 1992.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: (original bill) The state is actively involved in promoting gambling. Therefore, we should be responsible for dealing with problems caused by gambling. Other states have taken action to address problems and compulsive gambling. It is time that we do something about it. The Gambling Commission is already taking great steps in this area.

Testimony Against: (original bill) The bill should not focus only on the Lottery Commission when there is no evidence of a strong connection between the lottery and compulsive gambling.

Witnesses: Charles D. Maurer, Carol Shultz, and Jeanne O'Connell, Washington State Council on Problem Gambling (in favor); David C. Ryder, citizen (in favor); and Roger Wilson, Washington State Lottery.