
SENATE BILL 5994

State of Washington 52nd Legislature 1991 1st Special Session

By Senators Madsen, Gaspard, Murray, Jesernig, Vognild, Moore and Conner.

Read first time June 17, 1991. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to additional funding of K through 12 education
2 through state lottery revenues; amending RCW 67.70.040, 67.70.190, and
3 67.70.240; and creating a new section.

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

5 **Sec. 1.** RCW 67.70.040 and 1988 c 289 s 801 are each amended to
6 read as follows:

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

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

1 (a) The type of lottery to be conducted which may include the
2 selling of tickets or shares, or the use of electronic or mechanical
3 devices or video terminals which do not require a printed ticket:
4 PROVIDED, That approval of the legislature shall be required before
5 entering any agreement with other state lotteries to conduct shared
6 games;

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

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

10 (d) The manner of selecting the winning tickets or shares;

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

14 (f) The frequency of the drawings or selections of winning tickets
15 or shares, without limitation;

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

18 (h) The method to be used in selling tickets or shares, which may
19 include the use of electronic or mechanical devices and video
20 terminals;

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

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

28 (k) The apportionment of the total revenues accruing from the sale
29 of lottery tickets or shares and from all other sources among: (i) The
30 payment of prizes to the holders of winning tickets or shares, which

1 shall not be less than forty-five percent of the gross annual revenue
2 from such lottery, less amounts of unclaimed prizes deposited in the
3 general fund under RCW 67.70.190 during the fiscal year ending June 30,
4 1989, (ii) transfers to the lottery administrative account created by
5 RCW 67.70.260, and (iii) transfer to the (~~state's general fund~~)
6 education support account. Transfers to the (~~state general fund~~)
7 education support account shall be made in compliance with RCW
8 43.01.050;

9 (1) Such other matters necessary or desirable for the efficient and
10 economical operation and administration of the lottery and for the
11 convenience of the purchasers of tickets or shares and the holders of
12 winning tickets or shares.

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

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

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

21 **Sec. 2.** RCW 67.70.190 and 1988 c 289 s 802 are each amended to
22 read as follows:

23 (1) Unclaimed prizes shall be retained in the state lottery account
24 for the person entitled thereto for one hundred eighty days after the
25 drawing in which the prize is won, or after the official end of the
26 game for instant prizes. If no claim is made for the prize within this
27 time, the prize shall be retained in the state lottery fund for further
28 use as prizes, except as provided in subsection (2) of this section,
29 and all rights to the prize shall be extinguished.

1 (2) During the fiscal year ending June 30, 1989, moneys from
2 unclaimed prizes shall be used as follows:

3 (a) Fifty percent of the moneys, not exceeding one million dollars,
4 shall be deposited quarterly in the ~~((general fund))~~ education support
5 account.

6 (b) The remainder of the moneys shall be retained in the state
7 lottery account for further use as prizes.

8 **Sec. 3.** RCW 67.70.240 and 1987 c 513 s 7 are each amended to read
9 as follows:

10 The moneys in the state lottery account shall be used only: (1)
11 For the payment of prizes to the holders of winning lottery tickets or
12 shares; (2) for purposes of making deposits into the reserve account
13 created by RCW 67.70.250 and into the lottery administrative account
14 created by RCW 67.70.260; (3) for purposes of making deposits into the
15 ~~((state's general fund; (4) for purposes of making deposits into the~~
16 ~~housing trust fund under the provisions of section 7 of this 1987 act;~~
17 ~~(5))~~ education support account; (4) for the purchase and promotion of
18 lottery games and game-related services; and ~~((+6))~~ (5) for the
19 payment of agent compensation.

20 The office of financial management shall require the allotment of
21 all expenses paid from the account and shall report to the ways and
22 means committees of the senate and house of representatives any changes
23 in the allotments.

24 NEW SECTION. **Sec. 4.** The education support account is created
25 in the state treasury. All receipts from the state lottery directed to
26 this account shall be deposited into the account. Moneys in the
27 account may be spent only after appropriation. Expenditures from the
28 account may be used only for nonemployee-related costs of the basic

1 education program, the handicapped education program, and the school
2 transportation program. Only the superintendent of public instruction
3 or the superintendent's designee may authorize expenditures from the
4 account.