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HOUSE BILL 3120

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State of Washington

55th Legislature

1998 Regular Session

By Representatives Hankins, Huff, Sehlin, K. Schmidt, Cooke, Crouse, Ballasiotes, Mitchell, Skinner, Delvin and Kessler

Read first time 02/09/98. Referred to Committee on Appropriations.

1 AN ACT Relating to distribution of lottery revenues to the state  
2 general fund; and amending RCW 67.70.040.

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

4 **Sec. 1.** RCW 67.70.040 and 1994 c 218 s 4 are each amended to read  
5 as follows:

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

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

14 (a) The type of lottery to be conducted which may include the  
15 selling of tickets or shares. The use of electronic or mechanical  
16 devices or video terminals which allow for individual play against such  
17 devices or terminals shall be prohibited. Approval of the legislature  
18 shall be required before entering any agreement with other state  
19 lotteries to conduct shared games;

- 1 (b) The price, or prices, of tickets or shares in the lottery;
- 2 (c) The numbers and sizes of the prizes on the winning tickets or  
3 shares;
- 4 (d) The manner of selecting the winning tickets or shares;
- 5 (e) The manner and time of payment of prizes to the holder of  
6 winning tickets or shares which, at the director's option, may be paid  
7 in lump sum amounts or installments over a period of years;
- 8 (f) The frequency of the drawings or selections of winning tickets  
9 or shares. Approval of the legislature is required before conducting  
10 any on-line game in which the drawing or selection of winning tickets  
11 occurs more frequently than once every twenty-four hours;
- 12 (g) Without limit as to number, the type or types of locations at  
13 which tickets or shares may be sold;
- 14 (h) The method to be used in selling tickets or shares;
- 15 (i) The licensing of agents to sell or distribute tickets or  
16 shares, except that a person under the age of eighteen shall not be  
17 licensed as an agent;
- 18 (j) The manner and amount of compensation, if any, to be paid  
19 licensed sales agents necessary to provide for the adequate  
20 availability of tickets or shares to prospective buyers and for the  
21 convenience of the public;
- 22 (k) The apportionment of the total revenues accruing from the sale  
23 of lottery tickets or shares and from all other sources among: (i) The  
24 payment of prizes to the holders of winning tickets or shares, which  
25 shall not be less than forty-five percent of the gross annual revenue  
26 from such lottery, (ii) transfers to the lottery administrative account  
27 created by RCW 67.70.260, and (iii) transfer to the state's general  
28 fund, which shall not be less than forty percent of the adjusted gross  
29 annual revenue from such lottery. Adjusted gross annual revenue for  
30 purposes of this section is gross annual revenues less any  
31 distributions under RCW 67.70.240 (4) and (5) and any payments for  
32 prizes, administrative expenses, and agent compensation proportionately  
33 assigned to the distributions under RCW 67.70.240 (4) and (5).  
34 Transfers to the state general fund shall be made in compliance with  
35 RCW 43.01.050;
- 36 (l) Such other matters necessary or desirable for the efficient and  
37 economical operation and administration of the lottery and for the  
38 convenience of the purchasers of tickets or shares and the holders of  
39 winning tickets or shares.

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

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

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

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