

HOUSE BILL ANALYSIS

HB 2325

Brief Description: Modifying state lottery laws.

Sponsors: Representative Veloria

Hearing: January 24, 2000

Brief Summary of Bill

- Removes limitations on the method for generating money to meet the Lottery Commission's required distribution to King County for retirement of construction bonds for the baseball stadium.

BACKGROUND:

The Lottery Commission is charged with conducting lottery games that "*produce the maximum amount of net revenues for the state consonant with the dignity of the state and the general welfare of the people.*" The Lottery Commission may determine the types of games, the number of drawings and the manner of selecting winners. It may make other business decisions regarding the conduct of games offered.

Revenue generated from operation of the lottery games pays for winnings, operational expenses, distributions to King County for repayment of bonds for construction of a baseball stadium, distribution to the state account for repayment of bonds for construction of a stadium and exhibition center, and distribution to the state general fund.

In 1995, the Legislature enacted a bill to provide financing for a baseball stadium in King County. As part of the financing package, the Lottery Commission was directed to conduct at least two but not more than four scratch games with sports themes per year. During 1996, three million dollars of lottery revenue was dedicated to baseball stadium bond retirement. This amount increases by 4 percent each year until 2015.

The designated scratch ticket games raised sufficient revenue to meet this commitment in 1996 and 1997. In 1998 and 1999, the revenue did not meet the commitment of an

additional 4 percent over previous years. The difference was provided from other lottery revenue.

In 1997, the Legislature passed, subject to voter approval, a financing package for the construction of a multi-use stadium and exhibition facility. As part of the financing package, the Lottery Commission was directed to conduct new games and commit six million dollars in 1998 to the long-term retirement of the bonds used for construction of the facility. The amount of the Lottery Commissions contribution increases by 4 percent each year. The contribution ends when the bonds are retired, but no later than 2020. The Lottery Commission may also accept and market prize promotions in conjunction with private sector marketing efforts.

The Lottery Commission conducts 43 scratch games, also called instant games. Players determine if they have won by scratching the latex cover off of the ticket. These games are available at more than 3,000 lottery retailers statewide.

The Lottery Commission also conducts five on-line games: Lotto, Quinto, the Daily Game, Daily Keno and Lucky for Life. The games match numbers or symbols picked by the player with those selected at a drawing conducted by the Lottery Commission. Lotto, Quinto and Lucky for Life hold drawings every Wednesday and Saturday. The daily games are drawn each day. The Lottery Commission recently adopted a rule allowing Quinto to be drawn daily.

SUMMARY OF BILL:

The limitations on the method for generating money to meet the Lottery Commission's distribution to King County for retirement of construction bonds for the baseball stadium was removed.

The restriction of using a specified number of scratch games with a sports theme is removed and the Lottery Commission is directed to conduct new games and additional drawings of existing games to generate the additional revenue to meet the statutory distribution for retirement of the bonds. The Lottery Commission may also accept and market prize promotions in conjunction with private sector marketing efforts.

RULES AUTHORITY: The bill does not contain provisions addressing the rule making powers of an agency.

FISCAL NOTE: Requested January 21, 2000.

EFFECTIVE DATE: Ninety days after adjournment of a session in which bill is passed.