
HOUSE BILL 1856

State of Washington

56th Legislature

1999 Regular Session

By Representatives Hankins, K. Schmidt, Cox, Mitchell, Ericksen, Huff, DeBolt, Skinner, Alexander, McDonald, Pflug, Koster, Mielke, Mulliken, Fortunato, Radcliff, Schoesler, Esser, Bush, Delvin, Dunshee, Talcott, Buck, Dunn, Carlson, Carrell, Kessler and Campbell

Read first time 02/08/1999. Referred to Committee on Appropriations.

1 AN ACT Relating to phasing in the use of state lottery proceeds for
2 common school construction; and amending RCW 67.70.040 and 67.70.240.

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) transfers to the common school
28 construction fund, and (iv) transfers to the state's general fund.
29 Transfers to the state general fund shall be made in compliance with
30 RCW 43.01.050;
- 31 (l) Such other matters necessary or desirable for the efficient and
32 economical operation and administration of the lottery and for the
33 convenience of the purchasers of tickets or shares and the holders of
34 winning tickets or shares.
- 35 (2) To ensure that in each place authorized to sell lottery tickets
36 or shares, on the back of the ticket or share, and in any advertising
37 or promotion there shall be conspicuously displayed an estimate of the
38 probability of purchasing a winning ticket.

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

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

5 **Sec. 2.** RCW 67.70.240 and 1997 c 220 s 206 (Referendum Bill No.
6 48) are each amended to read as follows:

7 The moneys in the state lottery account shall be used only:

8 (1) For the payment of prizes to the holders of winning lottery
9 tickets or shares;

10 (2) For purposes of making deposits into the reserve account
11 created by RCW 67.70.250 and into the lottery administrative account
12 created by RCW 67.70.260;

13 (3) For purposes of making deposits into the state's general fund
14 and the common school construction fund. The deposits into the state
15 general fund and common school construction fund shall be apportioned
16 as follows:

17 (a) Eighty-three percent to the general fund and seventeen percent
18 to the common school construction fund for the fiscal year ending June
19 30, 2000;

20 (b) Sixty-six percent to the general fund and thirty-four percent
21 to the common school construction fund for the fiscal year ending June
22 30, 2001;

23 (c) Forty-nine percent to the general fund and fifty-one percent to
24 the common school construction fund for the fiscal year ending June 30,
25 2002;

26 (d) Thirty-two percent to the general fund and sixty-eight percent
27 to the common school construction fund for the fiscal year ending June
28 30, 2003;

29 (e) Fifteen percent to the general fund and eighty-five percent to
30 the common school construction fund for the fiscal year ending June 30,
31 2004; and

32 (f) Zero percent to the general fund and one hundred percent to the
33 common school construction fund for the fiscal year ending June 30,
34 2005, and thereafter;

35 (4) For distribution to a county for the purpose of paying the
36 principal and interest payments on bonds issued by the county to
37 construct a baseball stadium, as defined in RCW 82.14.0485, including
38 reasonably necessary preconstruction costs. Three million dollars

1 shall be distributed under this subsection during calendar year 1996.
2 During subsequent years, such distributions shall equal the prior
3 year's distributions increased by four percent. Distributions under
4 this subsection shall cease when the bonds issued for the construction
5 of the baseball stadium are retired, but not more than twenty years
6 after the tax under RCW 82.14.0485 is first imposed;

7 (5) For distribution to the stadium and exhibition center account,
8 created in RCW 43.99N.060. Subject to the conditions of RCW
9 43.99N.070, six million dollars shall be distributed under this
10 subsection during the calendar year 1998. During subsequent years,
11 such distribution shall equal the prior year's distributions increased
12 by four percent. No distribution may be made under this subsection
13 after December 31, 1999, unless the conditions for issuance of the
14 bonds under RCW 43.99N.020(2) are met. Distributions under this
15 subsection shall cease when the bonds are retired, but not later than
16 December 31, 2020;

17 (6) For the purchase and promotion of lottery games and game-
18 related services; and

19 (7) For the 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.

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