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HOUSE BILL 2624

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State of Washington

57th Legislature

2002 Regular Session

By Representatives Conway, Clements, Wood, Edwards and Hunt; by request of Governor Locke

Read first time 01/23/2002. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to the shared game lottery revenues for education  
2 purposes; amending RCW 67.70.010 and 67.70.040; and adding new sections  
3 to chapter 67.70 RCW.

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

5 **Sec. 1.** RCW 67.70.010 and 1994 c 218 s 3 are each amended to read  
6 as follows:

7 For the purposes of this chapter:

8 (1) "Commission" means the state lottery commission established by  
9 this chapter;

10 (2) "Director" means the director of the state lottery established  
11 by this chapter;

12 (3) "Lottery" or "state lottery" means the lottery established and  
13 operated pursuant to this chapter;

14 (4) "On-line game" means a lottery game in which a player pays a  
15 fee to a lottery retailer and selects a combination of digits, numbers,  
16 or symbols, type and amount of play, and receives a computer-generated  
17 ticket with those selections, and the lottery separately draws or  
18 selects the winning combination or combinations;

1       (5) "Shared game lottery" means any lottery activity in which the  
2 commission participates under written agreement between the commission,  
3 on behalf of the state, and any other state or states.

4       **Sec. 2.** 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~~  
18 ~~legislature shall be required before entering any agreement with other~~  
19 ~~state lotteries to conduct shared games))~~);

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

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

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

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

27       (f) The frequency of the drawings or selections of winning tickets  
28 or shares. Approval of the legislature is required before conducting  
29 any on-line game in which the drawing or selection of winning tickets  
30 occurs more frequently than once every twenty-four hours;

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

33       (h) The method to be used in selling tickets or shares;

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

37       (j) The manner and amount of compensation, if any, to be paid  
38 licensed sales agents necessary to provide for the adequate

1 availability of tickets or shares to prospective buyers and for the  
2 convenience of the public;

3 (k) The apportionment of the total revenues accruing from the sale  
4 of lottery tickets or shares and from all other sources among: (i) The  
5 payment of prizes to the holders of winning tickets or shares, which  
6 shall not be less than forty-five percent of the gross annual revenue  
7 from such lottery, (ii) transfers to the lottery administrative account  
8 created by RCW 67.70.260, and (iii) transfer to the state's general  
9 fund and exclusively applied to the support of the common schools and  
10 included in general state revenues under RCW 39.42.070. Transfers to  
11 the state general fund shall be made in compliance with RCW 43.01.050;

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

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

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

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

24 (5) To enter into agreements with one or more states for the  
25 purpose of creating and maintaining a shared game lottery.

26 NEW SECTION. Sec. 3. A new section is added to chapter 67.70 RCW  
27 to read as follows:

28 The shared game lottery account is created as a separate account  
29 outside the state treasury. The account is managed, maintained, and  
30 controlled by the commission and consists of all revenues received from  
31 the sale of shared game lottery tickets or shares, and all other moneys  
32 credited or transferred to it from any other fund or source under law.  
33 The account is allotted according to chapter 43.88 RCW.

34 NEW SECTION. Sec. 4. A new section is added to chapter 67.70 RCW  
35 to read as follows:

36 (1) The legislature recognizes that creating a shared game lottery  
37 could result in less revenue being raised by the existing state lottery

1 ticket sales. The legislature further recognizes that the two funds  
2 most impacted by this potential event are the student achievement fund  
3 and the education construction account. Therefore, it is the intent of  
4 the legislature to use some of the proceeds from the shared game  
5 lottery to make up the difference that the potential state lottery  
6 revenue loss would have on the student achievement fund and the  
7 education construction account.

8 (2) The student achievement fund and the education construction  
9 account are expected to collectively receive one hundred two million  
10 dollars annually from state lottery games other than the shared game  
11 lottery. For fiscal year 2003 and thereafter, if the amount of lottery  
12 revenues earmarked for the student achievement fund and the education  
13 construction account are less than one hundred two million dollars, the  
14 state lottery commission must transfer sufficient moneys from revenues  
15 derived from the shared game lottery into the student achievement fund  
16 and the education construction account to bring the total revenue up to  
17 one hundred two million dollars. The funds transferred from the shared  
18 game lottery account under this subsection must be divided between the  
19 student achievement fund and the education construction account in a  
20 manner consistent with RCW 67.70.240(3). The remaining net revenues,  
21 if any, in the shared game lottery account after the transfer must be  
22 deposited into the general fund and exclusively applied to the support  
23 of the common schools and included in general state revenues under RCW  
24 39.42.070.

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