

HOUSE BILL REPORT

HB 1636

As Reported by House Committee On:

Commerce & Labor

Title: An act relating to the treatment of pathological gambling.

Brief Description: Requiring revenue transfers for the treatment of pathological gambling.

Sponsors: Representatives Wood, Conway, Kenney, Hudgins, McCoy, Moeller, Edwards, Linville, Santos and Rockefeller.

Brief History:

Committee Activity:

Commerce & Labor: 2/10/03, 2/24/03 [DPS].

Brief Summary of Substitute Bill

- Establishes a transfer of \$500,000 from the revenue of the multi-state lottery game to fund the pathological gambling treatment program.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Conway, Chair; Wood, Vice Chair; Chandler, Ranking Minority Member; Condotta, Assistant Ranking Minority Member; Crouse, Holmquist, Hudgins, Kenney and McCoy.

Staff: Matt Cooper (786-7106).

Background:

The Lottery Commission (Commission) operates several lottery games. The revenue from these games is allocated to several accounts. The revenues from most games are paid first to education accounts and then to the general fund.

The first \$102 million of annual revenue from most lottery games is divided equally between the Student Achievement Account and the Education Construction Account. Funds in the Student Achievement Account are used for education programs. The Education Construction Account pays for school construction and renovation. Any

annual lottery revenue beyond \$102 million is transferred to the general fund.

The revenue from the multi-state lottery game (sometimes referred to as "The Big Game" or "Mega-Millions") is transferred according to the same priorities as part of the \$102 million total, with one exception.

In 2002 the Legislature approved a one-time transfer of \$500,000 from the multi-state lottery revenue to the Violence Reduction and Drug Enforcement Account to fund a treatment program for pathological gambling. The Department of Social and Health Services is responsible for administering this pathological gambling treatment program.

The revenue from the sports-theme scratch lottery tickets is transferred the Stadium and Exhibition Center Account to pay the sports stadium bonds.

Summary of Substitute Bill:

The Lottery Commission must transfer \$500,000 from the multi-state lottery revenue to fund the Department of Social and Health Services pathological gambling treatment program.

Substitute Bill Compared to Original Bill:

The Lottery Commission must transfer \$500,000 annually from the multi-state lottery revenue to fund the pathological gambling treatment program.

Agencies that receive funds under this section will report to the legislative committees responsible for gambling policy each year on the expenditure of the funds and status of the programs for the treatment of pathological gambling.

The transfer of funds from the multi-state lottery for treatment of pathological gambling are made after the transfers to the educational accounts. If the amount remaining in the multi-state lottery account after the transfers to education is less than \$500,000, amounts less than \$500,000 may be transferred to pathological gambling treatment.

Appropriation: The bill transfers \$500,000 from the shared game lottery account to the Violence Reduction and Drug Enforcement Account for treatment of pathological gambling.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: Problem gambling treatment is a long-term project that needs a funding source. Using funds from the lottery after the lottery has made all transfers to education is an appropriate source for funding.

The treatment program funded in the last session has just gotten started and is expected to treat many more people than were predicted. The funds are used to pay for treatment only if a person needs treatment and does not have insurance or any way to pay for treatment.

An aggressive program that addresses problem gambling is the key to keeping problem gambling from being an increasing social problem. Washington was able to keep its problem gambling rate stable during a time when gambling opportunities expanded greatly. Continued funding will ensure that the problem gambling rate stays low.

Testimony Against: None.

Testified: Representative Wood, prime sponsor; and Gary Hanson and Steve Griffiths, Washington State Council on Problem Gambling.