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**SUBSTITUTE HOUSE BILL 2243**

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**State of Washington**

**59th Legislature**

**2006 Regular Session**

**By** House Committee on Commerce & Labor (originally sponsored by Representatives Williams, Quall, Hunt, Simpson, Ormsby and Sells)

READ FIRST TIME 02/03/06.

1 AN ACT Relating to lottery advertisements; amending RCW 67.70.040;  
2 and creating a new section.

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

4 NEW SECTION. **Sec. 1.** The legislature recognizes that accurate  
5 information about the use of lottery funds is necessary to clarify  
6 understanding of lottery advertisements. The legislature intends that  
7 the lottery commission have the duty and authority to conduct  
8 educational outreach efforts related to lottery funds.

9 **Sec. 2.** RCW 67.70.040 and 1994 c 218 s 4 are each amended to read  
10 as follows:

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

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

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

1 convenience of the purchasers of tickets or shares and the holders of  
2 winning tickets or shares.

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

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

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

11 (5) To conduct educational outreach efforts to the public that  
12 include the following:

13 (a) Educating the public about the use of moneys in the state  
14 lottery under this chapter;

15 (b) Educating the public about the amount the lottery contributes  
16 to the education construction fund; and

17 (c) Educating the public about the amount the lottery contributes  
18 to the education construction fund compared to the total amount in the  
19 education construction fund.

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