

SENATE BILL REPORT

SB 6108

As Reported by Senate Committee On:
Ways & Means, March 23, 2009

Title: An act relating to allowing the state lottery to enter into agreements to conduct multistate shared games.

Brief Description: Allowing the state lottery to enter into agreements to conduct multistate shared games.

Sponsors: Senators Prentice, Holmquist and Kohl-Welles.

Brief History:

Committee Activity: Ways & Means: 3/16/09, 3/23/09 [DPS, DNP, w/oRec].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6108 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Hobbs, Keiser, Kline, Kohl-Welles, McDermott, Oemig, Pridemore, Regala and Rockefeller.

Minority Report: Do not pass.

Signed by Senators Carrell, Honeyford, Pflug and Schoesler.

Minority Report: That it be referred without recommendation.

Signed by Senators Zarelli, Ranking Minority Member; Brandland, Fairley and Murray.

Staff: Dianne Criswell (786-7433)

Background: The Washington Lottery (Lottery) was established in 1982. Lottery revenues, after payment of prizes and administrative expenses, are used for education construction, paying off stadium bonds, problem gambling services, economic development, and the General Fund.

In 2002 the Legislature authorized the Lottery to participate in a multistate shared game lottery. After a transfer of 0.013 percent to the Problem Gambling Account, revenues from the shared game lottery are transferred to the Education Construction Account until it reaches

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\$102 million. If the total revenues transferred to the Education Construction Account reach \$102 million, any amounts remaining after the transfers to the Education Construction Account are deposited into the General Fund.

There are two multistate lottery game organizations with various member states: the Mega Millions consortium, of which Washington is a member, has 12 member states; and, the Multi-State Lottery Association, which runs Powerball games, has 29 member states and the District of Columbia.

Summary of Bill (Recommended Substitute): The Lottery may enter into agreements to conduct additional multistate shared games, in addition to the current Mega Millions game.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Substitute): Expressly prohibits any agreements which are otherwise prohibited under RCW 67.70.040(1)(a).

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: There are 42 states which run state lotteries. Those states in the multi-state organizations have recently proposed allowing the other states to franchise each other's games. Oregon and Idaho do not require legislative approval for a second multi-state game. Therefore, Washington could lose up to \$4 million each year to fewer Washington lottery game sales, especially in those border areas. This bill does not abridge existing agreements between the state and the tribes related to gambling activities. Further, the current restrictions on the frequency or method of gaming are still in force.

OTHER: This bill gives the Lottery Commission legislative authority and raises questions about additional game activities in the future. There might be savings by consolidating the Lottery Commission, the Gambling Commission, and the Horse Racing Commission.

Persons Testifying: PRO: Arlen Harris, Washington State Lottery.

OTHER: Martin Durkan, Muckleshoot Tribe.