

SENATE BILL REPORT

ESSB 6108

As Amended by House, April 21, 2009

Title: An act relating to allowing the state lottery commission to enter into an agreement to conduct an additional shared lottery game.

Brief Description: Allowing the state lottery commission to enter into an agreement to conduct an additional shared lottery game.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Prentice, Holmquist and Kohl-Welles).

Brief History:

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

Passed Senate: 4/14/09, 35-12.

Passed House: 4/21/09, 60-35.

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

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the shared game lottery are transferred to the Education Construction Account until it reaches \$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 Engrossed Substitute Bill: The Washington State Lottery Commission is authorized to enter into an agreement for a second multi-state lottery game known as Powerball.

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: 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.

House Amendment(s): Directs that after distributions to the Education Construction Account and the Problem Gambling Fund, net revenues from the multi-state shared game "Powerball" must be transferred into the State General Fund for the Student Achievement Program.