

# HOUSE BILL REPORT

## HB 1982

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### As Reported by House Committee On: Appropriations

**Title:** An act relating to eliminating lottery games that generate insufficient net revenue.

**Brief Description:** Eliminating lottery games that generate insufficient net revenue.

**Sponsors:** Representative Hunter.

**Brief History:**

**Committee Activity:**

Appropriations: 3/18/13, 3/25/13 [DPS].

<p style="text-align: center;"><b>Brief Summary of Substitute Bill</b></p> <ul style="list-style-type: none"><li>• Repeals the requirement for the State Lottery to conduct a Veterans Day Raffle.</li></ul>
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### HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 30 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Alexander, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Cody, Dahlquist, Dunshee, Fagan, Green, Haigh, Halder, Harris, Hudgins, Hunt, Jenkins, Kagi, Maxwell, Morrell, Parker, Pedersen, Pettigrew, Pike, Ross, Schmick, Seaquist, Springer, Sullivan and Taylor.

**Staff:** Jeff Olsen (786-7175).

**Background:**

State Lottery.

The Washington Lottery (Lottery) was established in 1982 to produce revenues for the state. Proceeds from lottery revenues are deposited into the State Lottery Account to support lottery operations and also for specific beneficiaries. Lottery beneficiaries include:

- the Washington Opportunity Pathways Account;
- distributions to counties for payment of stadium bonds;

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- problem gambling education;
- Veterans Innovation Program;
- economic development; and
- the State General Fund.

Legislation enacted in 2010 established the Washington Opportunity Pathways Account, and directed all remaining net revenues from the State Lottery Account to the new account. Previously, lottery revenues had been directed to the Education Construction Account. During the 2009-11 biennium, lottery funds were redirected from the Education Construction Fund to the State General Fund.

Veterans Raffle.

In 2011 the Legislature established an annual Veterans Day Raffle. The Lottery Commission was directed to conduct an annual statewide raffle to benefit veterans and their families. All revenues received from the sale of the tickets, less amounts paid out in prizes and actual administrative expenses related to the veterans lottery games, must be deposited into the Veterans Innovations Program (VIP) Account for purposes of serving veterans and their families. The raffle generated approximately \$270,000 in net revenues during fiscal year 2012. However, in fiscal year 2013, the Veterans Day Raffle did not generate net revenues for distribution to the VIP Account.

Veterans Innovations Program.

In 2006 the Legislature established the VIP within the Department of Veterans Affairs. The purpose of the VIP is to provide crisis and emergency relief and education, training, and employment assistance to veterans and their families. The VIP terminates on June 30, 2016.

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**Summary of Substitute Bill:**

The requirement for the Lottery to conduct an annual Veterans Day lottery raffle is repealed. Transfers to the VIP Account from the raffle are eliminated. Obsolete transfers from the State Lottery Account to the Education Construction Fund and for payment of bonds for Safeco Field are removed.

**Substitute Bill Compared to Original Bill:**

The substitute bill removes outdated language relating to lottery transfers to the Education Construction Fund and payments on bonds for Safeco Field (bonds have been retired).

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) None.

(In support with concerns) During the first year the raffle did generate a profit for the VIP. However, during the second year the raffle did not generate a profit, with sales barely covering prize expenses.

(With concerns) The Veterans Day Raffle is the only funding source for the VIP Account. The VIP Account provides unique assistance to veterans including education, health care, employment, and other types of assistance. The fund is used as a last resort, to supplement other assistance programs that may be available. There should be a dedicated funding source to support the VIP, for example, a direct transfer from the Lottery to the VIP.

(Opposed) None.

**Persons Testifying:** (In support with concerns) Arlen Harris, Washington State Lottery.

(With concerns) Alfie Alvarado, Washington State Department of Veterans Affairs; and Jim Sims, Veterans Legislative Coalition.

**Persons Signed In To Testify But Not Testifying:** None.