
Government Accountability & Oversight Committee

HB 2280

Brief Description: Authorizing the state lottery to provide scratch tickets as a promotional activity.

Sponsors: Representatives Condotta, Hurst, Holy and Ryu; by request of Washington State Lottery.

Brief Summary of Bill

- The Washington Lottery may distribute promotional scratch tickets worth \$1 to \$2.
- The Lottery may audit and suspend the use of promotional scratch tickets.

Hearing Date: 1/20/14

Staff: David Rubenstein (786-7153).

Background:

The Washington Lottery was established in 1982. The Lottery sells a variety of products, including scratch-off ticket games, Keno, multi-jurisdictional number-picking games such as Powerball and Mega Millions, and other games of chance.

Lottery revenues are used for the following purposes in addition to prizes and administrative expenses (these figures are amounts distributed in FY 2012):

- Washington Opportunity Pathways Account - \$122 million;
- King County - \$2.3 million
- stadium and Exhibition Center Account- \$13.3 million;
- problem gambling education - \$0.3 million; and
- economic development - \$3 million.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

In order to enhance ticket sales, the Lottery may market its products and activities and uses various means to do so including sponsorships, prize promotions, promotional games of chance. All scratch tickets and promotional materials must include an estimate of the probability of purchasing a winning ticket.

Summary of Bill:

The Lottery may distribute, either free or for a charge, scratch tickets as promotions. Tickets may only be distributed to persons otherwise eligible to purchase a lottery ticket, and only tickets with a retail price of \$1 to \$2 may be distributed. The promotional tickets must comply with rules applicable to promotional activities.

The Lottery must limit promotional distributions to no more than 1% of the annual sales of \$1 or \$2 scratch tickets, and any rules adopted must include audit and reporting provisions.

If the projected revenue from the state lottery as outlined by the revenue forecast is lower than 10%, then the commission must review and may suspend the use of promotional scratch tickets.

Appropriation: None.

Fiscal Note: Not requested.

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