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**SUBSTITUTE HOUSE BILL 2281**

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**State of Washington**

**63rd Legislature**

**2014 Regular Session**

**By** House Appropriations (originally sponsored by Representatives Vick, Holy, Hurst, and Condotta; by request of Washington State Lottery)

READ FIRST TIME 02/11/14.

1       AN ACT Relating to state lottery efficiency; amending RCW  
2 67.70.040; and repealing RCW 67.70.042.

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

4       **Sec. 1.** RCW 67.70.040 and 2006 c 290 s 3 are each amended to read  
5 as follows:

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

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

14       (a) The type of lottery to be conducted which may include the  
15 selling of tickets or shares, but such tickets or shares may not be  
16 sold over the internet. The use of electronic or mechanical devices or  
17 video terminals which allow for individual play against such devices or  
18 terminals shall be prohibited. An affirmative vote of sixty percent of  
19 both houses of the legislature is required before offering any game

1 allowing or requiring a player to become eligible for a prize or to  
2 otherwise play any portion of the game by interacting with any device  
3 or terminal involving digital, video, or other electronic  
4 representations of any game of chance, including scratch tickets, pull-  
5 tabs, bingo, poker or other cards, dice, roulette, keno, or slot  
6 machines. Approval of the legislature shall be required before  
7 entering any agreement with other state lotteries to conduct shared  
8 games;

9 (b) The price, or prices, of tickets or shares in the lottery;

10 (c) The numbers and sizes of the prizes on the winning tickets or  
11 shares;

12 (d) The manner of selecting the winning tickets or shares, except  
13 as limited by (a) of this subsection;

14 (e) The manner and time of payment of prizes to the holder of  
15 winning tickets or shares which, at the director's option, may be paid  
16 in lump sum amounts or installments over a period of years;

17 (f) The frequency of the drawings or selections of winning tickets  
18 or shares. Approval of the legislature is required before conducting  
19 any online game in which the drawing or selection of winning tickets  
20 occurs more frequently than once every twenty-four hours;

21 (g) Without limit as to number, the type or types of locations at  
22 which tickets or shares may be sold;

23 (h) The method to be used in selling tickets or shares, except as  
24 limited by (a) of this subsection;

25 (i) The licensing of agents to sell or distribute tickets or  
26 shares, except that a person under the age of eighteen shall not be  
27 licensed as an agent;

28 (j) The manner and amount of compensation, if any, to be paid  
29 licensed sales agents necessary to provide for the adequate  
30 availability of tickets or shares to prospective buyers and for the  
31 convenience of the public;

32 (k) The apportionment of the total revenues accruing from the sale  
33 of lottery tickets or shares and from all other sources among: (i) The  
34 payment of prizes to the holders of winning tickets or shares, which  
35 shall not be less than forty-five percent of the gross annual revenue  
36 from such lottery, (ii) transfers to the lottery administrative account  
37 created by RCW 67.70.260, and (iii) transfer to the state's general

1 fund. Transfers to the state general fund shall be made in compliance  
2 with RCW 43.01.050;

3 (1) Such other matters necessary or desirable for the efficient and  
4 economical operation and administration of the lottery and for the  
5 convenience of the purchasers of tickets or shares and the holders of  
6 winning tickets or shares.

7 (2) To ensure that in each place authorized to sell lottery tickets  
8 or shares, (~~on the back of the ticket or share, and in any advertising~~  
9 ~~or promotion~~) there shall be conspicuously displayed an estimate of  
10 the probability of purchasing a winning ticket on the lottery ticket or  
11 share and in any advertising or promotion.

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

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

16 NEW SECTION. **Sec. 2.** RCW 67.70.042 (Scratch games--Baseball  
17 stadium construction) and 1997 c 220 s 207 & 1995 3rd sp.s. c 1 s 104  
18 are each repealed.

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