
Commerce & Gaming Committee

SSB 6449

Brief Description: Concerning enhanced raffles.

Sponsors: Senate Committee on Commerce & Labor (originally sponsored by Senators Hewitt and Conway).

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| <p style="text-align: center;">Brief Summary of Substitute Bill</p> <ul style="list-style-type: none">• Extends the expiration date of the statutory authorization for enhanced raffles from June 30, 2017, to June 30, 2022. |
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Hearing Date:

Staff: Thamas Osborn (786-7129).

Background:

Washington's Gambling Act authorizes charitable and nonprofit organizations to conduct raffles to raise funds for the organizations' stated purposes. A raffle is an event where tickets are sold and prizes are awarded based on a random drawing. The Washington State Gambling Commission (Commission) regulates raffles.

In general, only certain charitable and nonprofit organizations are permitted to offer raffles. Unless otherwise authorized by statute, the maximum price of a raffle ticket is \$100. Some raffles require a license from the Commission and others do not. As a general rule, raffles involving combined gross revenues not exceeding \$5,000 do not require a license.

In 2013 the Legislature authorized a new type of raffle, known as an "enhanced raffle," that allows a grand prize worth up to \$5 million and is subject to specialized rules and requirements. The statutory authorization for enhanced raffles expires on June 30, 2017. Until then, the Commission is authorized to approve two enhanced raffles per calendar year in western Washington and two in eastern Washington. Only a bona fide charitable or nonprofit organization whose primary purpose is serving individuals with intellectual disabilities is eligible

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to conduct an enhanced raffle. "Enhanced raffle" means a game involving the sale of tickets bearing an individual number and in which a grand prize and smaller prizes are awarded on the basis of drawings of the tickets by the person or persons conducting the game. The Commission is authorized to adopt rules governing the licensing and operation of such raffles.

In order to be approved by the Commission, an enhanced raffle must meet specified conditions, including the following:

- The cost of tickets may not exceed \$250 each.
- The value of the grand prize may not exceed \$5 million.
- Sales of tickets must be made only in person, by mail, by fax, or by telephone.
- Where noncash prizes are offered, the sponsoring organization must be able to demonstrate that such prizes are available and that sufficient funds are held in reserve in the event the winner chooses a noncash prize.
- All enhanced raffles and associated smaller raffles must be independently audited pursuant to rules promulgated by the Commission.
- The bona fide charitable or nonprofit organization must be the primary recipient of the funds raised.
- The sponsoring organization must have a dedicated employee who is responsible for the oversight of enhanced raffle operations.
- An enhanced raffle must be conducted in accordance with all other requirements of the Gambling Act, other applicable laws, and the rules of the Commission.

The Commission is required to submit a report to the Legislature regarding enhanced raffles not later than December 2016.

The statutory authorization for enhanced raffles expires on June 30, 2017.

Summary of Bill:

The expiration date of the statutory authorization for enhanced raffles is extended from June 30, 2017, to June 30, 2022.

Appropriation: None.

Fiscal Note: Available.

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