

SENATE BILL REPORT

SB 5681

As Reported by Senate Committee On:
Ways & Means, April 1, 2015

Title: An act relating to state lottery accounts.

Brief Description: Concerning state lottery accounts.

Sponsors: Senators Hill and Angel; by request of Office of Financial Management.

Brief History:

Committee Activity: Ways & Means: 2/09/15, 4/01/15 [DPS].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5681 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hill, Chair; Braun, Vice Chair; Dammeier, Vice Chair; Honeyford, Vice Chair, Capital Budget Chair; Hargrove, Ranking Member; Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Ranking Minority Member, Operating; Bailey, Becker, Billig, Brown, Conway, Fraser, Hasegawa, Hatfield, Hewitt, Kohl-Welles, O'Ban, Padden, Parlette, Rolfes, Schoesler and Warnick.

Staff: Julie Murray (786-7711)

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 to fund the following purposes: (1) Washington Opportunity Pathways Account; (2) debt payments on stadium bonds; (3) problem gambling education; (4) economic development; and (5) the general fund.

The State Lottery Account is a non-appropriated enterprise account for all revenues from the sale of lottery products and expenses for payment of prizes to lottery winners, cost of sales, and retailer commissions. The State Lottery Account must be a separate account outside the state treasury. The Lottery Administrative Account is an appropriated account in the state treasury used to fund costs incurred in the operations and administration of the Lottery.

Summary of Bill: The bill as referred to committee not considered.

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.

Summary of Bill (Recommended Substitute): On June 30 of each fiscal year, any balance of unclaimed prizes in excess of \$10 million must be transferred to the Washington Opportunity Pathways Account. Funds in the Lottery Administrative Account may be used to fund Lottery revenue forecasts by the Economic and Revenue Forecast Council.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Substitute): The Lottery Administrative Account is changed allowing funds to be used for lottery revenue forecasts by the Economic and Revenue Forecast Council. The State Lottery Account is changed as follows: unclaimed prizes in excess of \$10 million are transferred to the Washington Opportunity Pathways Account; unclaimed prizes transferred to the Economic Development Strategic Reserve Account are capped at \$7 million each biennium; and \$500,000 must be distributed each fiscal year to the Gambling Revolving Fund.

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 on Proposed Substitute as Heard in Committee:
PRO: This is an Office of Financial Management request bill. We are fine with the proposed substitute, which accomplishes the purpose of pouring excess unclaimed prize money into the Washington Opportunity Pathways Account.

Persons Testifying: PRO: John Lane, Office of Financial Management.

Persons Signed in to Testify But Not Testifying: No one.