

SENATE BILL REPORT

SSB 6449

As Passed Senate, February 10, 2016

Title: An act relating to enhanced raffles.

Brief Description: Concerning enhanced raffles.

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

Brief History:

Committee Activity: Commerce & Labor: 1/29/16, 2/03/16 [DPS].

Passed Senate: 2/10/16, 47-2.

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: That Substitute Senate Bill No. 6449 be substituted therefor, and the substitute bill do pass.

Signed by Senators Baumgartner, Chair; Braun, Vice Chair; Hasegawa, Ranking Minority Member; Conway, Keiser, King and Warnick.

Staff: Jarrett Sacks (786-7448)

Background: Washington's Gambling Act authorizes charitable and nonprofit organizations to raise funds for the organizations' stated purpose. A raffle may be conducted as a licensed or unlicensed raffle. A license from the Washington State Gambling Commission (Commission) is required if:

- the gross revenue from all gambling fundraising conducted by the organization is \$5,000 or more;
- tickets are sold by someone outside the organization;
- tickets are sold at a discount; or
- firearms are awarded as prizes.

The maximum price of a raffle ticket is \$100. In addition to the license, approval from the Commission is required if the retail value of a prize is \$40,000 or more, or the total value of all raffle prizes offered in a year exceeds \$80,000.

In 2013, the Legislature authorized bona fide charitable and nonprofit organizations that serve individuals with intellectual disabilities to conduct enhanced raffles until June 2017.

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.

The Commission may approve four enhanced raffles per year, two in western Washington and two in eastern Washington. An enhanced raffle is a game in which a grand prize and smaller prizes are awarded on the basis of raffle ticket drawings. Enhanced raffles are subject to the following conditions:

- the cap on individual ticket price is \$250 per ticket;
- the value of the grand prize is capped at \$5 million;
- ticket sales may be in person or by mail, fax, or telephone;
- multiple ticket packages may be purchased at a discount;
- multiple smaller prizes are authorized, including early bird, refer a friend, and multiple ticket drawing;
- for noncash prizes, the organization must demonstrate that a prize is available and that sufficient funds are available to purchase the noncash prize; and
- raffles must be independently audited.

The Commission is required to report to the Legislature by December 2016 on the results of the enhanced raffles, the revenue generated by the raffles, and any regulatory actions in relation to enhanced raffles.

Summary of Substitute Bill: The June 30, 2017 expiration date for enhanced raffles is extended to June 30, 2022.

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 Original Bill: PRO: The money raised by the enhanced raffles allowed the Special Olympics of Washington to expand its reach into communities and initiate inclusive sports and social justice programs. Since the raffle, Special Olympics have established programs in 100 school districts in the state and have increased its athlete base by 10,000 athletes.

OTHER: The Gambling Commission does not have a view on the bill yet but values its relationship with Special Olympics of Washington.

Persons Testifying on Original Bill: PRO: Denny Eliason and David Lenox, Special Olympics Washington.

OTHER: Brian Considine, Gambling Commission.

Persons Signed In To Testify But Not Testifying on Original Bill: No one.