

# SENATE BILL REPORT

## SB 5410

---

---

As of February 8, 2021

**Title:** An act relating to enhanced raffle procedures.

**Brief Description:** Concerning enhanced raffle procedures.

**Sponsors:** Senators Stanford, King and Nguyen.

**Brief History:**

**Committee Activity:** Labor, Commerce & Tribal Affairs: 2/10/21.

**Brief Summary of Bill**

- Increases the maximum value of the grand prize for an enhanced raffle from \$5 million to \$10 million.
- Requires the Gambling Commission to address enhanced raffles in its reporting obligations.
- Removes the expiration date for the enhanced raffles statute.

---

### SENATE COMMITTEE ON LABOR, COMMERCE & TRIBAL AFFAIRS

**Staff:** Susan Jones (786-7404)

**Background:** Raffles. Bona fide charitable or bona fide nonprofit organizations, organized primarily for purposes other than the conduct of raffles, are authorized to conduct raffles without obtaining a license when:

- gross revenues from all of the organization's raffles during the calendar year do not exceed \$5,000;
- tickets to the raffles are sold only to, and winners are determined only from among, the regular members of the organization; and
- the raffles are held in accordance with laws and rules.

---

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

The maximum raffle ticket price is \$100.

For licensed organizations, raffle prizes must not exceed \$40,000 per prize or \$300,000 total raffle prizes in a license year, except as authorized by the Gambling Commission (Commission) as provided in rule.

Enhanced Raffles. A bona fide charitable or nonprofit organization, whose primary purpose is serving individuals with intellectual disabilities, may conduct enhanced raffles if licensed by the Commission. The Commission may approve enhanced raffles under a number of conditions, including that the value of the grand prize must not exceed \$5 million. In the event the organization determines ticket sales are insufficient to qualify for a complete enhanced raffle to move forward, the enhanced raffle winner must receive 50 percent of the net proceeds in excess of expenses as the grand prize.

The Commission may approve two enhanced raffles per calendar year for western Washington and two enhanced raffles per calendar year for eastern Washington. The location where the grand prize winning ticket is to be drawn determines whether the raffle is considered to occur in western or eastern Washington.

All enhanced raffles and associated smaller raffles must be independently audited with the results reported to the Commission. The bona fide charitable or nonprofit organization must be the primary recipient of the funds raised.

The maximum enhanced raffle ticket price is \$250. An enhanced raffle may include additional related entries and drawings, such as early bird, refer a friend, and multiple ticket drawings when the organization establishes the eligibility standards for the entries and drawings before any enhanced raffle tickets are sold. No drawing may occur by using a random number generator or similar means.

The enhanced raffle statute expires on June 30, 2022.

**Summary of Bill:** The value of the grand prize for an enhanced raffle may not exceed \$10 million.

The Gambling Commission's reporting obligations must address enhanced raffles.

The expiration date is removed.

**Appropriation:** None.

**Fiscal Note:** Requested on February 5, 2021.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.