

SENATE BILL REPORT

SB 5410

As Reported by Senate Committee On:
Labor, Commerce & Tribal Affairs, February 15, 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, 2/15/21 [DP, DNP].

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

Majority Report: Do pass.

Signed by Senators Keiser, Chair; Conway, Vice Chair, Labor; Stanford, Vice Chair, Commerce & Tribal Affairs; King, Ranking Member; Braun, Robinson, Saldaña and Schoesler.

Minority Report: Do not pass.

Signed by Senator Honeyford.

Staff: Susan Jones (786-7404)

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.

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.

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: Available.

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

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

Staff Summary of Public Testimony: PRO: The Special Olympics is the only organization currently meeting the requirements for enhanced raffles. This will help them with their fundraising activities and provide more opportunities for their athletes.

A person discussed his involvement with the Special Olympics over the past five years as an athlete and official in soccer. He discussed his challenges in high school. Special Olympics has allowed him to make new friends, compete, and officiate. He has found a new purpose in life and has new experiences. He went to the Special Olympics in Abu Dhabi. He was the only official from the United States. He was proud to represent this country. Special Olympics allows people to have a sense of belonging and satisfy the oath "let me win, but if I cannot win, let me brave the attempt."

This bill will allow Special Olympics to continue the growth of its critical programs that Special Olympics delivers to communities. Special Olympics has changed lives of people with intellectual disabilities across the globe. Through many programs, Special Olympics has athletes and volunteers help remove stigmas that persons with intellectual disabilities face. Athletes may expand their abilities, including in competing, coaching, officiating, leadership, confidence, and public speaking.

The dream house raffle has allowed the expansion of programs, including the unified champion sports program. The program pairs athletes with intellectual disabilities with persons without. It is offered in 183 schools in the state and reaches over 74,000 students. The program increases participants social and emotional skills and creates a socially inclusive school.

OTHER: The Gambling Commissioners will be briefed tomorrow, including on the sunset clause. The Commission has no concerns at this time.

Persons Testifying: PRO: Senator Derek Stanford, Prime Sponsor; Garrett Utz, Special Olympics Washington Athlete; Brynn Brady, Special Olympics Washington.

OTHER: Brian Considine, Gambling Commission.

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