

1479

Sponsor(s): Representatives G. Fisher, Foreman, Wang and Anderson;
by request of Department of Revenue

Brief Description: Modifying the uniform unclaimed property act.

HB 1479 - DIGEST

(DIGEST AS ENACTED)

Revises provisions of the uniform unclaimed property act.

VETO MESSAGE ON HB 1479

May 18, 1993

To the Honorable Speaker and Members,

The House of Representatives of the State of Washington
Ladies and Gentlemen:

I am returning herewith, without my approval as to sections 1, 3, 11, and 12, House Bill No. 1479 entitled:

"AN ACT Relating to the administration of the uniform unclaimed property act;"

Section 1 through 10 of House Bill No. 1479, as introduced, amended this state's uniform unclaimed property act to clarify the scope and improve the efficiency of the unclaimed property program. I am in full agreement with the intent of all of those amendatory sections.

In the legislative process, House Bill No. 1479 was amended (in sections 1, 3, and new sections 11, and 12) to define unclaimed lottery prizes as unclaimed property to be transferred to the Department of Revenue from which it would be deposited in the state General Fund. The Legislature includes \$11 million in its balance sheet from revenue legislation associated with this bill.

Unfortunately, lottery unclaimed prizes are not new money that can be added to the balance sheet. The Lottery, under current law and its rules, has properly used unclaimed prizes to provide that part of the cost of purchasing annuities for Lotto jackpots that are unfunded by the distribution of revenues from Lotto sales. Since July 1, 1991, the Lottery has used \$13.7 million of the \$16.7 million obtained from unclaimed prizes to support these costs. The value of the unclaimed prizes ends up reflected in higher Lotto sales and higher jackpots that can be offered because unclaimed prize money is available.

If these amendments were enacted, the Lottery could supplement current resources available to support current Lotto jackpot levels by retaining a higher portion of Lotto revenues, thus reducing its state General Fund revenue estimate. It could also adjust downward the current pattern of increases in jackpots when a jackpot is not won, making jackpots self-funding but substantially reducing player interest and reducing Lotto sales. Neither of these options are desirable, and both end up costing the state more than the \$11 million in unclaimed prizes assumed in this bill because of adjustments that would need to be made to the Lottery's contribution to state General Fund revenue forecasts.

For this reason, I have vetoed sections 1, 3, 11, and 12 of House Bill No. 1479.

With the exception of sections 1, 3, 11, and 12, House Bill No. 1479 is approved.

Respectfully submitted,
Mike Lowry
Governor