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**SUBSTITUTE SENATE BILL 6409**

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**State of Washington**

**61st Legislature**

**2010 Regular Session**

**By** Senate Higher Education & Workforce Development (originally sponsored by Senators Kastama, Rockefeller, Shin, and Kohl-Welles)

READ FIRST TIME 02/03/10.

1 AN ACT Relating to creating the Washington investment in excellence  
2 account; reenacting and amending RCW 67.70.240 and 67.70.340; adding a  
3 new section to chapter 28B.76 RCW; and creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that institutions of  
6 higher education are key to the future employment opportunities of  
7 Washington citizens and to the economic well-being of the state. The  
8 legislature finds that the recruitment of entrepreneurial researchers  
9 at institutions of higher education and the formation of research  
10 innovation teams will further enhance faculty recruitment and economic  
11 development. The legislature further finds that current financial aid  
12 programs are underfunded and subject to the unpredictability of the  
13 state budget. It is the intent of the legislature to direct lottery  
14 account moneys toward the Washington investment in excellence account  
15 and that those funds be directed towards fully funding and stabilizing  
16 existing resources used to fund: The recruitment of entrepreneurial  
17 researchers, innovation partnership zones and research teams,  
18 opportunity grants, educational opportunity grants, get ready for math  
19 and science scholarships, passport to college promise scholarships,

1 college bound scholarships, and Washington promise scholarships. It is  
2 also the intent of the legislature to continue funding the education  
3 construction fund by redirecting a portion of general state revenues to  
4 that fund.

5 NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.76 RCW  
6 to read as follows:

7 The Washington investment in excellence account is created in the  
8 custody of the state treasurer. All receipts received from the state  
9 lottery account for Washington investment in excellence must be  
10 deposited in the account. Expenditures from the account may be used  
11 only for programs in RCW 43.330.280 (recruitment of entrepreneurial  
12 researchers, innovation partnership zones and research teams), chapter  
13 28B.12 RCW (state work-study), chapter 28B.50 RCW (opportunity grant),  
14 chapter 28B.101 RCW (educational opportunity grant), chapter 28B.105  
15 RCW (GET ready for math and science scholarship), chapter 28B.117 RCW  
16 (passport to college promise), chapter 28B.118 RCW (college bound  
17 scholarship), and chapter 28B.119 RCW (Washington promise scholarship).  
18 A minimum of two percent of the expenditures shall be used for the  
19 recruitment of entrepreneurial researchers, innovation partnership  
20 zones, and research teams. Only the director of the board or the  
21 director's designee may authorize expenditures from the account. The  
22 account is subject to the allotment procedures under chapter 43.88 RCW,  
23 but an appropriation is not required for expenditures.

24 **Sec. 3.** RCW 67.70.240 and 2009 c 500 s 11 and 2009 c 479 s 44 are  
25 each reenacted and amended to read as follows:

26 The moneys in the state lottery account shall be used only:

27 (1) For the payment of prizes to the holders of winning lottery  
28 tickets or shares;

29 (2) For purposes of making deposits into the reserve account  
30 created by RCW 67.70.250 and into the lottery administrative account  
31 created by RCW 67.70.260;

32 (3) For purposes of making deposits into the education construction  
33 fund created in RCW 43.135.045 and the Washington investment in  
34 excellence account created in section 2 of this act. On and after July  
35 1, ((2004)) 2010, ((all deposits not otherwise obligated under this  
36 section)) the moneys shall be placed in the ((education construction

1 fund)) Washington investment in excellence account. Moneys in the  
2 state lottery account deposited in the ((~~education construction fund~~))  
3 Washington investment in excellence account are included in "general  
4 state revenues" under RCW 39.42.070;

5 (4) For distribution to a county for the purpose of paying the  
6 principal and interest payments on bonds issued by the county to  
7 construct a baseball stadium, as defined in RCW 82.14.0485, including  
8 reasonably necessary preconstruction costs. Three million dollars  
9 shall be distributed under this subsection during calendar year 1996.  
10 During subsequent years, such distributions shall equal the prior  
11 year's distributions increased by four percent. Distributions under  
12 this subsection shall cease when the bonds issued for the construction  
13 of the baseball stadium are retired, but not more than twenty years  
14 after the tax under RCW 82.14.0485 is first imposed;

15 (5) For distribution to the stadium and exhibition center account,  
16 created in RCW 43.99N.060. Subject to the conditions of RCW  
17 43.99N.070, six million dollars shall be distributed under this  
18 subsection during the calendar year 1998. During subsequent years,  
19 such distribution shall equal the prior year's distributions increased  
20 by four percent. No distribution may be made under this subsection  
21 after December 31, 1999, unless the conditions for issuance of the  
22 bonds under RCW 43.99N.020(2) are met. Distributions under this  
23 subsection shall cease when the bonds are retired, but not later than  
24 December 31, 2020;

25 (6) For the purchase and promotion of lottery games and game-  
26 related services; and

27 (7) For the payment of agent compensation.

28 The office of financial management shall require the allotment of  
29 all expenses paid from the account and shall report to the ways and  
30 means committees of the senate and house of representatives any changes  
31 in the allotments.

32 **Sec. 4.** RCW 67.70.340 and 2009 c 576 s 2 and 2009 c 479 s 45 are  
33 each reenacted and amended to read as follows:

34 (1) The legislature recognizes that creating a shared game lottery  
35 could result in less revenue being raised by the existing state lottery  
36 ticket sales. The legislature further recognizes that the fund most  
37 impacted by this potential event is the ((~~education construction~~))

1 Washington investment in excellence account. Therefore, it is the  
2 intent of the legislature to use some of the proceeds from the shared  
3 game lottery to make up the difference that the potential state lottery  
4 revenue loss would have on the ((~~education—construction~~)) Washington  
5 investment in excellence account. The legislature further intends to  
6 use some of the proceeds from the shared game lottery to fund programs  
7 and services related to problem and pathological gambling.

8 (2) The ((~~education—construction~~)) Washington investment in  
9 excellence account is expected to receive one hundred two million  
10 dollars annually from state lottery games other than the shared game  
11 lottery. For fiscal year 2003 and thereafter, if the amount of lottery  
12 revenues earmarked for the ((~~education—construction~~)) Washington  
13 investment in excellence account is less than one hundred two million  
14 dollars, the commission, after making the transfer required under  
15 subsection (3) of this section, must transfer sufficient moneys from  
16 revenues derived from the shared game lottery into the ((~~education~~  
17 ~~construction~~)) Washington investment in excellence account to bring the  
18 total revenue up to one hundred two million dollars.

19 (3)(a) The commission shall transfer, from revenue derived from the  
20 shared game lottery, to the problem gambling account created in RCW  
21 43.20A.892, an amount equal to the percentage specified in (b) of this  
22 subsection of net receipts. For purposes of this subsection, "net  
23 receipts" means the difference between (i) revenue received from the  
24 sale of lottery tickets or shares and revenue received from the sale of  
25 shared game lottery tickets or shares; and (ii) the sum of payments  
26 made to winners.

27 (b) In fiscal year 2006, the percentage to be transferred to the  
28 problem gambling account is one-tenth of one percent. In fiscal year  
29 2007 and subsequent fiscal years, the percentage to be transferred to  
30 the problem gambling account is thirteen one-hundredths of one percent.

31 (4) The commission shall transfer the remaining net revenues, if  
32 any, derived from the shared game lottery "Powerball" authorized in RCW  
33 67.70.044(1) after the transfers pursuant to this section into the  
34 state general fund for the student achievement program under RCW  
35 28A.505.220.

36 (5) The remaining net revenues, if any, in the shared game lottery

1 account after the transfers pursuant to this section shall be deposited  
2 into the general fund.

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