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SENATE BILL 6615 (Corrected Copy)

State of Washington 61st Legislature 2010 Regular Session

By Senator Jacobsen

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Read first time 01/19/10. Referred to Committee on Labor, Commerce & Consumer Protection.

- AN ACT Relating to providing support for parks and recreation; amending RCW 67.70.010, 67.70.320, and 79A.25.060; reenacting and amending RCW 67.70.240 and 67.70.340; adding a new section to chapter
- 4 67.70 RCW; and adding a new section to chapter 79A.25 RCW.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 <u>NEW SECTION.</u> **Sec. 1.** A new section is added to chapter 67.70 RCW 7 to read as follows:
 - (1) As authorized in RCW 67.70.040(1)(f), the commission must conduct a club keno monitor game in which the drawing or selection of winning tickets occurs more frequently than once every twenty-four hours. The frequency of drawings for a club keno monitor game may not be less than every four minutes. The authorized online monitor game may not require interaction between a player and any device or terminal otherwise prohibited by RCW 67.70.040(1)(a).
 - (2) The club keno monitor game may be provided without a monitor terminal to any of the lottery's existing lottery sales agents and to other persons as defined in RCW 67.70.070.
- 18 (3) The winning numbers or matrix of the club keno monitor game

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- 1 must be displayed as defined in establishments licensed under RCW
- 2 66.24.320, 66.24.330, 66.24.420, 66.24.425, 66.24.450, 66.24.452,
- 3 66.24.570, or 66.24.590.
- 4 (4) All revenues received from the sale of club keno monitor game
- 5 tickets will be deposited into the state lottery account created by RCW
- 6 67.70.230.
- 7 **Sec. 2.** RCW 67.70.010 and 2002 c 349 s 1 are each amended to read 8 as follows:
- 9 For the purposes of this chapter:
- 10 (1) "Club keno monitor game" means any lottery game in which
- 11 results are presented to a player on a television or similar visual
- 12 <u>display. A club keno monitor game is not a slot machine or a video</u>
- 13 lottery terminal;
- 14 (2) "Commission" means the state lottery commission established by
- 15 this chapter;
- 16 $((\frac{2}{2}))$ <u>(3)</u> "Director" means the director of the state lottery
- 17 established by this chapter;
- 18 $((\frac{3}{3}))$ <u>(4)</u> "Lottery" or "state lottery" means the lottery
- 19 established and operated pursuant to this chapter;
- 20 $((\frac{4}{}))$ online game" means a lottery game in which a player
- 21 pays a fee to a lottery retailer and selects a combination of digits,
- 22 numbers, or symbols, type and amount of play, and receives a computer-
- 23 generated ticket with those selections, and the lottery separately
- 24 draws or selects the winning combination or combinations;
- 25 $((\frac{5}{1}))$ (6) "Shared game lottery" means any lottery activity in
- 26 which the commission participates under written agreement between the
- 27 commission, on behalf of the state, and any other state or states.
- 28 Sec. 3. RCW 67.70.240 and 2009 c 500 s 11 and 2009 c 479 s 44 are
- 29 each reenacted and amended to read as follows:
- 30 The moneys in the state lottery account shall be used only:
- 31 (1) For the payment of prizes to the holders of winning lottery
- 32 tickets or shares;
- 33 (2) For purposes of making deposits into the reserve account
- 34 created by RCW 67.70.250 and into the lottery administrative account
- 35 created by RCW 67.70.260;

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(3) For purposes of making deposits into the education construction fund created in RCW 43.135.045. On and after July 1, 2004, all deposits not otherwise obligated under this section shall be placed in the education construction fund. Moneys in the state lottery account deposited in the education construction fund are included in "general state revenues" under RCW 39.42.070;

- (4) For distribution to a county for the purpose of paying the principal and interest payments on bonds issued by the county to construct a baseball stadium, as defined in RCW 82.14.0485, including reasonably necessary preconstruction costs. Three million dollars shall be distributed under this subsection during calendar year 1996. During subsequent years, such distributions shall equal the prior year's distributions increased by four percent. Distributions under this subsection shall cease when the bonds issued for the construction of the baseball stadium are retired, but not more than twenty years after the tax under RCW 82.14.0485 is first imposed;
- (5) For distribution to the stadium and exhibition center account, created in RCW 43.99N.060. Subject to the conditions of RCW 43.99N.070, six million dollars shall be distributed under this subsection during the calendar year 1998. During subsequent years, such distribution shall equal the prior year's distributions increased by four percent. No distribution may be made under this subsection after December 31, 1999, unless the conditions for issuance of the bonds under RCW 43.99N.020(2) are met. Distributions under this subsection shall cease when the bonds are retired, but not later than December 31, 2020;
- (6) For distribution of revenue received under the club keno monitor game created in this act, after payments have been made under subsection (1) of this section, to the outdoor recreation account in RCW 79A.25.060;
- 31 <u>(7)</u> For the purchase and promotion of lottery games and game-32 related services; and
 - $((\frac{7}{1}))$ (8) For the payment of agent compensation.
 - The office of financial management shall require the allotment of all expenses paid from the account and shall report to the ways and means committees of the senate and house of representatives any changes in the allotments.

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- (1) The director of financial management shall select a certified public accountant to verify that:
- $((\frac{1}{1}))$ <u>(a)</u> The manner of selecting the winning tickets or shares is consistent with this chapter; and
- $((\frac{(2)}{2}))$ (b) The manner and time of payment of prizes to the holder of winning tickets or shares is consistent with this chapter. The cost of these services shall be paid from moneys placed within the lottery administrative account created in RCW 67.70.260.
- 11 (2) The requirement for club keno monitor game winning number 12 verification by a certified public accountant does not apply when 13 numbers are drawn from a certified random number generator without 14 human intervention.
- **Sec. 5.** RCW 67.70.340 and 2009 c 576 s 2 and 2009 c 479 s 45 are each reenacted and amended to read as follows:
 - (1) The legislature recognizes that creating a shared game lottery could result in less revenue being raised by the existing state lottery ticket sales. The legislature further recognizes that the fund most impacted by this potential event is the education construction account. Therefore, it is the intent of the legislature to use some of the proceeds from the shared game lottery to make up the difference that the potential state lottery revenue loss would have on the education construction account. The legislature further intends to use some of the proceeds from the shared game lottery to fund programs and services related to problem and pathological gambling.
 - (2) The education construction account is expected to receive one hundred two million dollars annually from state lottery games other than the shared game lottery. For fiscal year 2003 and thereafter, if the amount of lottery revenues earmarked for the education construction account is less than one hundred two million dollars, the commission, after making the transfer required under subsection (3) of this section, must transfer sufficient moneys from revenues derived from the shared game lottery into the education construction account to bring the total revenue up to one hundred two million dollars.
- 36 (3)(a) The commission shall transfer, from revenue derived from the 37 shared game lottery, to the problem gambling account created in RCW

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43.20A.892, an amount equal to the percentage specified in (b) of this subsection of net receipts. For purposes of this subsection, "net receipts" means the difference between (i) revenue received from the sale of lottery tickets or shares and revenue received from the sale of shared game lottery tickets or shares; and (ii) the sum of payments made to winners.

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- (b) In fiscal year 2006, the percentage to be transferred to the problem gambling account is one-tenth of one percent. In fiscal year 2007 and subsequent fiscal years, the percentage to be transferred to the problem gambling account is thirteen one-hundredths of one percent. In fiscal year 2011 and subsequent fiscal years, the percentage to be transferred to the problem gambling account is twenty one-hundredths of one percent.
- (4) The commission shall transfer the remaining net revenues, if any, derived from the shared game lottery "Powerball" authorized in RCW 67.70.044(1) after the transfers pursuant to this section into the state general fund for the student achievement program under RCW 28A.505.220.
- 19 (5) The remaining net revenues, if any, in the shared game lottery 20 account after the transfers pursuant to this section shall be deposited 21 into the general fund.
- 22 **Sec. 6.** RCW 79A.25.060 and 2007 c 241 s 43 are each amended to 23 read as follows:
 - The outdoor recreation account is created in the state treasury. Moneys in the account are subject to legislative appropriation. The board shall administer the account in accordance with chapter 79A.15 RCW and this chapter, and shall hold it separate and apart from all other money, funds, and accounts of the board.
- Grants, gifts, or other financial assistance, proceeds received from public bodies as administrative cost contributions, proceeds from the club keno monitor game created in section 1 of this act, and moneys made available to the state of Washington by the federal government for outdoor recreation, may be deposited into the account.
- NEW SECTION. Sec. 7. A new section is added to chapter 79A.25 RCW to read as follows:
- The board shall make statewide grants to state natural resource

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- agencies and local government agencies for parks and recreational purposes. Moneys deposited to the outdoor recreation account from the club keno monitor game under section 1 of this act shall be distributed as follows:
 - (1) The board may use up to three percent of the funds under this section for the administration of the grant to state natural resource agencies and local government agencies.
 - (2) Of the remaining funds:

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- 9 (a) Fifty percent for state natural resource agencies to be 10 distributed as follows:
- 11 (i) Forty percent to the department of fish and wildlife;
- 12 (ii) Forty percent to the department of natural resources; and
- 13 (iii) Twenty percent to the state parks and recreation commission.
- 14 (b) Fifty percent for local government agencies to be distributed 15 as follows:
 - (i) Forty-five percent for parks;
- 17 (ii) Thirty percent for trails;
- 18 (iii) Twenty-five percent for water access.
- 19 (3) In distributing these funds, the board shall retain discretion 20 in order to meet the most pressing needs for state and local parks and 21 shall not be required to meet the percentages described in subsection 22 (2) of this section in any one biennium.

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