

# SENATE BILL REPORT

## HB 1469

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As of March 10, 2021

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

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

**Sponsors:** Representatives Wicks, Vick, Robertson, Sutherland and Chambers.

**Brief History:** Passed House: 2/23/21, 95-2.

**Committee Activity:** Labor, Commerce & Tribal Affairs: 3/10/21.

### 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.

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### 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.

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*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 must 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 serves more than 19,500 individuals with intellectual disabilities in the state. The program is often the only program where they can participate in physical activities, health education, and sports in their communities and regionally. The proceeds from the dream house raffle have allowed the organization to grow the number of participants by 100 percent. The program provides health, social, and emotional wellness. They conduct thousands of no cost athlete health screenings and trained hundreds of medical professionals on how to work with individuals with intellectual disabilities. They create inclusion and acceptance in sports and in the classroom. The bill will increase the maximum amount of the grand prize to allow the organization to continue its work.

A Special Olympics' participant spoke about his experience with Special Olympics. Before Special Olympics, he was not very active; and his posture and balance were not good. His doctors said it was part of his disability. He did not enjoy school. After Special Olympics, he got health screenings. They gave him exercises to do and physical therapy. He is now more active and has better eating habits. He enjoys spending time with his teammates and friends made through Special Olympics. It has given him opportunities to express what Special Olympics has done for him around the state. He plays a number of sports and is learning leadership skills.

Special Olympics allows athletes to participate at no cost, including travel, health screenings, and health and dental services. Athletes lives are changed by the health care provided and leadership skills. The bill will enable Special Olympics to continue supporting athletes.

**Persons Testifying:** PRO: Representative Emily Wicks, Prime Sponsor; Pam Schmidt, athlete parent, Special Olympics of Washington; Colton Schmidt, athlete, Special Olympics of Washington.

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