
HOUSE BILL 1146

State of Washington

54th Legislature

1995 Regular Session

By Representatives Quall, Brumsickle, Benton, Basich, Chappell, Kessler, Kremen, Campbell, L. Thomas and Wolfe

Read first time 01/16/95. Referred to Committee on Appropriations.

1 AN ACT Relating to deposit of lottery proceeds; amending RCW
2 67.70.040 and 67.70.240; and creating a new section.

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

4 **Sec. 1.** RCW 67.70.040 and 1994 c 218 s 4 are each amended to read
5 as follows:

6 The commission shall have the power, and it shall be its duty:

7 (1) To promulgate such rules governing the establishment and
8 operation of a state lottery as it deems necessary and desirable in
9 order that such a lottery be initiated at the earliest feasible and
10 practicable time, and in order that such lottery produce the maximum
11 amount of net revenues for the state consonant with the dignity of the
12 state and the general welfare of the people. Such rules shall include,
13 but shall not be limited to, the following:

14 (a) The type of lottery to be conducted which may include the
15 selling of tickets or shares. The use of electronic or mechanical
16 devices or video terminals which allow for individual play against such
17 devices or terminals shall be prohibited. Approval of the legislature
18 shall be required before entering any agreement with other state
19 lotteries to conduct shared games;

1 (b) The price, or prices, of tickets or shares in the lottery;

2 (c) The numbers and sizes of the prizes on the winning tickets or
3 shares;

4 (d) The manner of selecting the winning tickets or shares;

5 (e) The manner and time of payment of prizes to the holder of
6 winning tickets or shares which, at the director's option, may be paid
7 in lump sum amounts or installments over a period of years;

8 (f) The frequency of the drawings or selections of winning tickets
9 or shares. Approval of the legislature is required before conducting
10 any on-line game in which the drawing or selection of winning tickets
11 occurs more frequently than once every twenty-four hours;

12 (g) Without limit as to number, the type or types of locations at
13 which tickets or shares may be sold;

14 (h) The method to be used in selling tickets or shares;

15 (i) The licensing of agents to sell or distribute tickets or
16 shares, except that a person under the age of eighteen shall not be
17 licensed as an agent;

18 (j) The manner and amount of compensation, if any, to be paid
19 licensed sales agents necessary to provide for the adequate
20 availability of tickets or shares to prospective buyers and for the
21 convenience of the public;

22 (k) The apportionment of the total revenues accruing from the sale
23 of lottery tickets or shares and from all other sources among: (i) The
24 payment of prizes to the holders of winning tickets or shares, which
25 shall not be less than forty-five percent of the gross annual revenue
26 from such lottery, (ii) transfers to the lottery administrative account
27 created by RCW 67.70.260, and (iii) transfer to the state's (~~general~~)
28 common school construction fund. Transfers to the state (~~general~~)
29 common school construction fund shall be made in compliance with RCW
30 43.01.050;

31 (l) Such other matters necessary or desirable for the efficient and
32 economical operation and administration of the lottery and for the
33 convenience of the purchasers of tickets or shares and the holders of
34 winning tickets or shares.

35 (2) To ensure that in each place authorized to sell lottery tickets
36 or shares, on the back of the ticket or share, and in any advertising
37 or promotion there shall be conspicuously displayed an estimate of the
38 probability of purchasing a winning ticket.

1 (3) To amend, repeal, or supplement any such rules from time to
2 time as it deems necessary or desirable.

3 (4) To advise and make recommendations to the director for the
4 operation and administration of the lottery.

5 **Sec. 2.** RCW 67.70.240 and 1987 c 513 s 7 are each amended to read
6 as follows:

7 The moneys in the state lottery account shall be used only: (1)
8 For the payment of prizes to the holders of winning lottery tickets or
9 shares; (2) for purposes of making deposits into the reserve account
10 created by RCW 67.70.250 and into the lottery administrative account
11 created by RCW 67.70.260; (3) for purposes of making deposits into the
12 state's ~~((general))~~ common school construction fund; (4) ~~((for purposes~~
13 ~~of making deposits into the housing trust fund under the provisions of~~
14 ~~section 7 of this 1987 act; (5))~~) for the purchase and promotion of
15 lottery games and game-related services; and ~~((+6+))~~ (5) for the
16 payment of agent compensation.

17 The office of financial management shall require the allotment of
18 all expenses paid from the account and shall report to the ways and
19 means committees of the senate and house of representatives any changes
20 in the allotments.

21 NEW SECTION. **Sec. 3.** The crediting of lottery proceeds to the
22 common school construction fund instead of the general fund is exempt
23 from the provisions of RCW 43.135.035(4).

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