By Representatives Casada, Hankins, Blanton, Radcliff, Mulliken, Honeyford, Stevens, Backlund, Padden, Beeksma, Goldsmith, Hymes, Silver, Pennington, Johnson and Mielke

Read first time 01/26/95. Referred to Committee on Commerce \& Labor.

AN ACT Relating to the state lottery; and amending RCW 67.70.040.

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

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

The commission shall have the power, and it shall be its duty:
(1) To ( (promulgate such)) adopt rules governing the establishment and operation of a state lottery as it deems necessary and desirable in order that such a lottery be initiated at the earliest feasible and practicable time, and in order that such lottery produce the maximum amount of net revenues for the state consonant with the dignity of the state and the general welfare of the people. Such rules shall include, but shall not be limited to, the following:
(a) The type of lottery to be conducted which may include the selling of tickets or shares. The use of electronic or mechanical devices or video terminals which allow for individual play against such devices or terminals shall be prohibited. Approval of the legislature shall be required before entering any agreement with other state lotteries to conduct shared games;
(b) The price, or prices, of tickets or shares in the lottery;
(c) The numbers and sizes of the prizes on the winning tickets or shares;
(d) The manner of selecting the winning tickets or shares;
(e) The manner and time of payment of prizes to the holder of winning tickets or shares which, at the director's option, may be paid in lump sum amounts or installments over a period of years;
(f) The frequency of the drawings or selections of winning tickets or shares. Approval of the legislature is required before conducting any on-line game in which the drawing or selection of winning tickets occurs more frequently than once every twenty-four hours;
(g) Without limit as to number, the type or types of locations at which tickets or shares may be sold;
(h) The method to be used in selling tickets or shares;
(i) The licensing of agents to sell or distribute tickets or shares, except that a person under the age of eighteen shall not be licensed as an agent;
(j) The manner and amount of compensation, if any, to be paid licensed sales agents necessary to provide for the adequate availability of tickets or shares to prospective buyers and for the convenience of the public;
(k) The apportionment of the total revenues accruing from the sale of lottery tickets or shares and from all other sources among: (i) The payment of prizes to the holders of winning tickets or shares, which shall not be less than forty-five percent of the gross annual revenue from such lottery, (ii) transfers to the lottery administrative account created by RCW 67.70.260, and (iii) transfer to the state's general fund. Transfers to the state general fund shall be made in compliance with RCW 43.01.050;
(l) Such other matters necessary or desirable for the efficient and economical operation and administration of the lottery and for the convenience of the purchasers of tickets or shares and the holders of winning tickets or shares.
(2) To ensure that in each place authorized to sell lottery tickets or shares, on the back of the ticket or share, and in any advertising or promotion there shall be conspicuously displayed an estimate of the probability of purchasing a winning ticket.
(3) To amend, repeal, or supplement any such rules from time to time as it deems necessary or desirable.
(4) To advise and make recommendations to the director for the 2 operation and administration of the lottery.

3 (5) To ensure that no public moneys are used to pay for 4 advertisements for games run by the commission in the public print or 5 broadcast media. Public moneys may be used to pay for printed 6 advertisements for games run by the commission if the advertisements 7 are displayed or made available only on the premises of agents licensed 8 to participate in the sale of the games.

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