

# SENATE BILL REPORT

## SB 5234

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As of February 19, 1997

**Title:** An act relating to dedicating revenue to K through 12 education through state lottery revenues.

**Brief Description:** Dedicating revenue to K through 12 education through state lottery revenues.

**Sponsors:** Senators Benton, Johnson, Finkbeiner, Roach, Schow, Deccio, Morton, Rossi, McDonald, West, Oke and Hale.

**Brief History:**

**Committee Activity:** Ways & Means: 1/29/97.

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Maura Sullivan (786-7431)

**Background:** State lottery revenues currently are expended for prizes, retailer commissions, purchases and promotion of games, and administration. The lottery also makes transfers to the state general fund. In the 1995-97 biennium, the lottery expects to transfer about \$220 million to the state general fund.

Prizes not claimed within 180 days remain in the state lottery account for further use as prizes. The amount of unclaimed prizes varies but averages about \$7 million per year.

**Summary of Substitute Bill:** Lottery revenues transferred to the state general fund are made available for common school education. One half of unclaimed prizes (up to \$1 million each year) is transferred into the newly created education trust account. The lottery retains remaining unclaimed prizes for further prizes.

The education trust account is held by the State Treasurer. The principal may not be spent. Interest earned on the account may only be appropriated for common school education starting July 1, 2017.

**Substitute Bill Compared to Original Bill:** The original bill was not considered.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This bill would change the reality to match the public's perceptions about lottery revenues. The money that would otherwise be returned in prizes would go toward education. It is a step in the right direction for supporting education.

**Testimony Against:** The unclaimed prize money could be spent by the lottery to generate additional revenues for the state. Without these funds, some sales revenues would be lost.

**Testified:** PRO: Senator Don Benton, prime sponsor; Dwayne Slate, Washington State School Directors' Association; CON: Roger Wilson, State Lottery Commission.