

SENATE BILL REPORT

SB 6143

As Reported By Senate Committee On:
Commerce, Trade, Housing & Financial Institutions, January 25, 2000

Title: An act relating to lottery support of funding for baseball stadium construction.

Brief Description: Modifying state lottery laws.

Sponsors: Senators Prentice, Deccio, Kohl-Welles, Winsley, Gardner, Rasmussen, Shin, Sellar and Horn; by request of Washington State Lottery.

Brief History:

Committee Activity: Commerce, Trade, Housing & Financial Institutions: 1/20/2000, 1/25/2000 [DP, DNP].

SENATE COMMITTEE ON COMMERCE, TRADE, HOUSING & FINANCIAL INSTITUTIONS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Benton, Deccio, Gardner, Hale and Heavey.

Minority Report: Do not pass.

Signed by Senator T. Sheldon.

Staff: Catherine Mele (786-7470)

Background: Generally, Washington State lottery revenues are used to pay for prizes, retailer commissions, purchases and promotions of games, and administration. The lottery also assists in paying for baseball stadium bond retirement and for the stadium exhibition hall bond retirement. After the lottery pays these costs, the lottery transfers any remaining balance to the general fund. In 1999, the lottery transferred \$108.5 million to the general fund.

In 1995, the Legislature directed the lottery to sell special sports theme scratch tickets to help pay off baseball stadium bonds. In 1996, the lottery paid \$3 million as an initial distribution. This amount increases 4 percent each year for 20 years. If sports theme scratch tickets do not generate the required distribution, lottery funds that normally go to the general fund are used to make up the difference.

The sports theme scratch tickets generated enough revenue to meet the required distributions for the baseball stadium in 1996, 1997, and 1998. In 1999, the lottery was obligated to distribute \$3,309,696 million to King County for stadium bond retirement. During 1999, the sports theme scratch ticket games failed to raise the required amount, and the lottery made up the difference with lottery funds meant for the general fund in the amount of \$739,293.

Concerns exist that the sports theme scratch ticket games will continue to fail to raise the monies needed to fulfill the obligations related to stadium financing.

Summary of Bill: The requirement that the lottery have at least two, but no more than four scratch ticket games with sports themes each year is eliminated. The lottery is required to create new games and to have additional drawing for existing games. The lottery is authorized to participate in prize promotions for the purposes of marketing games and drawings in order to finance the stadium.

Appropriation: None.

Fiscal Note: Requested on January 14, 2000.

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

Testimony For: Across the nation, sports theme tickets do not sell well. Last year the lottery did not have the revenues from sports theme tickets to pay its statutory obligation for the baseball stadium. Without this bill, the lottery will not be able to make its funding obligation this year. This bill gives the lottery the tools needed to fulfill its statutory obligation in the future.

Testimony Against: None.

Testified: Bob Benson, Washington State Lottery (pro).