
SUBSTITUTE HOUSE BILL 2624

State of Washington

57th Legislature

2002 Regular Session

By House Committee on Commerce & Labor (originally sponsored by Representatives Conway, Clements, Wood, Edwards and Hunt; by request of Governor Locke)

Read first time 02/08/2002. Referred to Committee on .

1 AN ACT Relating to the shared game lottery revenues for education
2 purposes; amending RCW 67.70.010 and 67.70.040; adding new sections to
3 chapter 67.70 RCW; and creating a new section.

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

5 **Sec. 1.** RCW 67.70.010 and 1994 c 218 s 3 are each amended to read
6 as follows:

7 For the purposes of this chapter:

8 (1) "Commission" means the state lottery commission established by
9 this chapter;

10 (2) "Director" means the director of the state lottery established
11 by this chapter;

12 (3) "Lottery" or "state lottery" means the lottery established and
13 operated pursuant to this chapter;

14 (4) "On-line game" means a lottery game in which a player pays a
15 fee to a lottery retailer and selects a combination of digits, numbers,
16 or symbols, type and amount of play, and receives a computer-generated
17 ticket with those selections, and the lottery separately draws or
18 selects the winning combination or combinations;

1 (5) "Shared game lottery" means any lottery activity in which the
2 commission participates under written agreement between the commission,
3 on behalf of the state, and any other state or states.

4 **Sec. 2.** 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~~
18 ~~legislature shall be required before entering any agreement with other~~
19 ~~state lotteries to conduct shared games))~~);

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

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

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

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

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

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

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

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

37 (j) The manner and amount of compensation, if any, to be paid
38 licensed sales agents necessary to provide for the adequate

1 availability of tickets or shares to prospective buyers and for the
2 convenience of the public;

3 (k) The apportionment of the total revenues accruing from the sale
4 of lottery tickets or shares and from all other sources among: (i) The
5 payment of prizes to the holders of winning tickets or shares, which
6 shall not be less than forty-five percent of the gross annual revenue
7 from such lottery, (ii) transfers to the lottery administrative account
8 created by RCW 67.70.260, and (iii) transfer to the state's general
9 fund. Transfers to the state general fund shall be made in compliance
10 with RCW 43.01.050;

11 (1) Such other matters necessary or desirable for the efficient and
12 economical operation and administration of the lottery and for the
13 convenience of the purchasers of tickets or shares and the holders of
14 winning tickets or shares.

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

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

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

23 (5) To enter into agreements with one or more states for the
24 purpose of creating and maintaining a shared game lottery.

25 NEW SECTION. Sec. 3. A new section is added to chapter 67.70 RCW
26 to read as follows:

27 The shared game lottery account is created as a separate account
28 outside the state treasury. The account is managed, maintained, and
29 controlled by the commission and consists of all revenues received from
30 the sale of shared game lottery tickets or shares, and all other moneys
31 credited or transferred to it from any other fund or source under law.
32 The account is allotted according to chapter 43.88 RCW.

33 NEW SECTION. Sec. 4. A new section is added to chapter 67.70 RCW
34 to read as follows:

35 (1) The legislature recognizes that creating a shared game lottery
36 could result in less revenue being raised by the existing state lottery
37 ticket sales. The legislature further recognizes that the two funds

1 most impacted by this potential event are the student achievement fund
2 and the education construction account. Therefore, it is the intent of
3 the legislature to use some of the proceeds from the shared game
4 lottery to make up the difference that the potential state lottery
5 revenue loss would have on the student achievement fund and the
6 education construction account.

7 (2) The student achievement fund and the education construction
8 account are expected to collectively receive one hundred two million
9 dollars annually from state lottery games other than the shared game
10 lottery. For fiscal year 2003 and thereafter, if the amount of lottery
11 revenues earmarked for the student achievement fund and the education
12 construction account are less than one hundred two million dollars, the
13 commission must transfer sufficient moneys from revenues derived from
14 the shared game lottery into the student achievement fund and the
15 education construction account to bring the total revenue up to one
16 hundred two million dollars. The funds transferred from the shared
17 game lottery account under this subsection must be divided between the
18 student achievement fund and the education construction account in a
19 manner consistent with RCW 67.70.240(3).

20 (3) For fiscal year 2003 and thereafter, the commission must
21 transfer from revenues derived from the shared game lottery to the
22 division of alcohol and substance abuse in the department of social and
23 health services one million dollars, or as much thereof as may be
24 necessary, for the treatment of pathological gamblers as prescribed by
25 section 5 of this act.

26 (4) For fiscal year 2003 and thereafter, the commission must
27 transfer from revenues derived from the shared game lottery to the
28 Washington state gambling commission five hundred thousand dollars, or
29 as much thereof as may be necessary, for use in problem gambling
30 prevention, youth education, public awareness, training, and helpline
31 services.

32 (5) The remaining net revenues, if any, in the shared game lottery
33 account after the transfers must be deposited into the general fund.

34 NEW SECTION. **Sec. 5.** A new section is added to chapter 67.70 RCW
35 to read as follows:

36 (1) A program for the treatment of pathological gambling is
37 established within the department of social and health services, to be
38 administered by a qualified person who has training and experience in

1 handling pathological gambling problems or the organization and
2 administration of treatment services for persons suffering from
3 pathological gambling problems.

4 (2) To receive treatment under subsection (1) of this section, a
5 person must:

6 (a) Need treatment for pathological gambling, but be unable to
7 afford treatment; and

8 (b) Be targeted by the department of social and health services as
9 to be most amenable to treatment.

10 (3) Treatment under this section is limited to the funds available
11 to the department of social and health services.

12 NEW SECTION. **Sec. 6.** Starting for fiscal year 2008 and
13 thereafter, the proceeds from the shared game lottery shall be
14 deposited into the Washington promise scholarship account established
15 by House Bill 2807 (2002) and distributed in a manner consistent with
16 statute. If House Bill 2807 (2002) is not enacted, this section shall
17 be null and void.

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