
Commerce & Labor Committee

HB 2243

Brief Description: Requiring lottery advertisements to include education funding levels.

Sponsors: Representatives Williams, Quall, Hunt, Simpson, Ormsby and Sells.

Brief Summary of Bill

- Requires any broadcast, print media, or written advertisement on behalf of the Washington State Lottery to include a statement regarding education funding levels.

Hearing Date: 1/23/06

Staff: Sarah Dylag (786-7109).

Background:

The Washington State Lottery ("Lottery") was authorized by the Legislature in 1982. The Lottery receives proceeds from the sales of a variety of state games and sales from the statutorily-authorized shared game lottery Mega Millions. Proceeds from the state games are placed in the State Lottery Account. Proceeds from Mega Millions are placed in the Shared Game Lottery Account. Lottery funds are used to fund stadium debt reduction, education construction, problem gambling, economic development, and the State General Fund.

Lottery funding for education began in 2001 after the voters approved Initiative 728. Initiative 728 directed Lottery funds from the State Lottery Account to two accounts, the Student Achievement Fund and the Education Construction Account. The legislation also provided that after 2004, the net revenues from lottery games allocated for education would all be directed to the Education Construction Account.

In 2002, when legislation was enacted to allow Washington to join the shared game lottery Mega Millions, the Legislature recognized in statute that "creating a shared game lottery could result in less revenue being raised by the existing state lottery ticket sales." The 2002 legislation directed that some of the proceeds from Mega Millions be used to make up the difference that the potential state lottery revenue loss would have on education funds.

Specifically, if the amount earmarked for education from the State Lottery Account is less than one hundred two million dollars, the Lottery, after making statutorily-required transfers to the Problem Gambling Account, must transfer revenue from the Shared Game Lottery Account to the Education Construction Account to bring the total revenue up to one hundred two million dollars. Once the statutorily-required transfers to the Problem Gambling Account and the one hundred two

million education contribution level is met, any additional revenue from Mega Millions benefits the State General Fund.

According to the Lottery's 2005 annual report, the Lottery contributed one hundred two million dollars to education construction in fiscal year 2005.

Summary of Bill:

Any broadcast, print media, or written advertisement on behalf of the Washington State Lottery must include the following statement: "Lottery proceeds fund education at a level less than one percent of the total state budget."

The statement must be clearly stated in any broadcast advertisement.

If the statement appears in a written advertisement, it must comply with the following:

- The statement must appear on the first page or fold.
- The statement must appear in at least ten-point type, or in type that is at least ten percent of the largest size type used in the written communication, whichever is larger.
- The text of the statement must not be subject to the half-tone or screening process.
- The statement must be set apart from any other printed matter.

Rulemaking Authority: The bill does not contain provisions addressing the rule-making powers of an agency.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.