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**Ways & Means Committee**

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**SSB 6844**

**Brief Description:** Streamlining lottery accounts by transferring local accounts into the treasury custodial accounts, directing transfers of unclaimed prize money, and eliminating obsolete provisions.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senator Prentice).

**Brief Summary of Substitute Bill**

- Eliminates two local accounts used by the State Lottery Commission (Commission) and replaces them with accounts in the custody of the State Treasurer.
- Requires the Commission to deposit two-thirds of unclaimed prize money to the Education Legacy Trust Account.

**Hearing Date:** 3/10/10

**Staff:** Sara del Moral (786-7118).

**Background:**

The State Lottery Commission deposits all revenues received from the sale of shared game lottery tickets (from the two multistate games Megamillions and Powerball) into the Shared Game Lottery Account, which is a local account outside of the state treasury. All other revenues received from the sale of lottery tickets are deposited into the State Lottery Account, another local account outside of the state treasury. After paying prizes and administrative expenses, the Commission distributes revenues to several beneficiaries. The primary beneficiary is the Education Construction Account; for the 2009-11 biennium lottery revenues distributed to this account are then transferred to the State General Fund. Lottery revenues are also used for paying off stadium bonds, the Economic Development Strategic Reserve Account, and the Problem Gambling Account.

Within the State Lottery Account, "unclaimed prize money" is defined as prize money that is unclaimed 180 days after it is awarded. Of these moneys, one-third is deposited to the Economic

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Development Strategic Reserve Account. On June 30, 2010 and June 30, 2011, all unclaimed prize money in excess of \$3 million will be transferred to the State General Fund.

**Summary of Bill:**

The Shared Game Lottery Account and the State Lottery Account are created within the custody of the State Treasurer. No later than July 1, 2010, the Commission must transfer to the newly created accounts all unobligated balances of the Shared Game Lottery Account and the State Lottery Accounts. The new accounts will be used for the same purposes as the local accounts they replace.

On a daily basis, all funds received by the Commission, with the exception of petty cash, must be deposited to a depository approved by the State Treasurer and credited the new accounts. Revenues from multistate games must be deposited to the new Shared Game Lottery Account. All other revenues must be deposited to the new State Lottery Account.

The Commission must deposit all unclaimed prize money, other than deposits into the Economic Development Strategic Reserve Account, into the Education Legacy Trust Account.

**Appropriation:** None.

**Fiscal Note:** Available on original bill.

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