

# HOUSE BILL REPORT

## HB 1469

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**As Passed House:**

February 23, 2021

**Title:** An act relating to enhanced raffle procedures.

**Brief Description:** Concerning enhanced raffle procedures.

**Sponsors:** Representatives Wicks, Vick, Robertson, Sutherland and Chambers.

**Brief History:**

**Committee Activity:**

Commerce & Gaming: 2/11/21, 2/12/21 [DP].

**Floor Activity:**

Passed House: 2/23/21, 95-2.

**Brief Summary of Bill**

- Raises the maximum value of the grand prize the Washington State Gambling Commission (Commission) may authorize for an enhanced raffle from \$5 million to \$10 million.
- Requires the Commission to address enhanced raffles under its existing reporting obligations to the Governor and Legislature.
- Removes the expiration date for the enhanced raffles statute.

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### HOUSE COMMITTEE ON COMMERCE & GAMING

**Majority Report:** Do pass. Signed by 9 members: Representatives Kloba, Chair; Wicks, Vice Chair; MacEwen, Ranking Minority Member; Robertson, Assistant Ranking Minority Member; Chambers, Kirby, Morgan, Vick and Wylie.

**Staff:** Kyle Raymond (786-7190).

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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 part of the legislation nor does it constitute a statement of legislative intent.*

## **Background:**

### Raffles.

Bona fide charitable or bona fide nonprofit organizations, organized primarily for purposes other than the conduct of raffles, are authorized to conduct raffles without obtaining a license when:

- gross revenues from all of the organization's raffles during the calendar year do not exceed \$5,000;
- tickets to the raffles are sold only to, and winners are determined only from among, the regular members of the organization; and
- the raffles are held in accordance with laws and rules.

The maximum raffle ticket price is \$100.

For licensed organizations, raffle prizes must not exceed \$40,000 per prize or \$300,000 total raffle prizes in a license year, except as authorized by the Washington State Gambling Commission (Commission) as provided in rule.

### Enhanced Raffles.

A bona fide charitable or nonprofit organization, whose primary purpose is serving individuals with intellectual disabilities, may conduct enhanced raffles if licensed by the Commission.

The Commission may approve enhanced raffles under a number of conditions, including that the value of grand prizes the Commission may authorize for an enhanced raffle may not exceed \$5 million. In the event the organization determines ticket sales are insufficient to qualify for a complete enhanced raffle to move forward, the enhanced raffle winner must receive 50 percent of the net proceeds in excess of expenses as the grand prize.

The Commission may approve two enhanced raffles per calendar year for Western Washington and two enhanced raffles per calendar year for Eastern Washington. The location where the grand prize winning ticket is to be drawn determines whether the raffle is considered to occur in Western or Eastern Washington.

All enhanced raffles and associated smaller raffles must be independently audited with the results reported to the Commission. The bona fide charitable or nonprofit organization must be the primary recipient of the funds raised. The maximum enhanced raffle ticket price is \$250. An enhanced raffle may include additional related entries and drawings, such as early bird, refer a friend, and multiple ticket drawings when the organization establishes the eligibility standards for the entries and drawings before any enhanced raffle tickets are sold. No drawing may occur by using a random number generator or similar means.

The enhanced raffle statute expires on June 30, 2022.

**Summary of Bill:**

The maximum value of grand prizes the Commission may authorize for an enhanced raffle is \$10 million.

The Commission must address enhanced raffles under its existing reporting obligations to the Governor and Legislature.

The expiration date for the enhanced raffle statute is removed.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) Special Olympics Washington provides an opportunity for individuals with intellectual disabilities to participate in physical activity, health education, and sports in their communities and throughout the state. The program athletes and volunteers help to remove barriers and stigmas that people with intellectual disabilities face. Special Olympics Washington conducts health screenings at no cost to individuals or their families. The programs allow athletes to make new friends, build confidence, be exposed to new experiences, and find purpose in life. The need to continue these programs is vital.

Since the inception of the Special Olympics Washington Dream House raffle in 2013, proceeds from the raffle have allowed the organization to expand programs and reduce barriers to participation for athletes. The expanded programs support both physical and social-emotional well-being of individuals with intellectual disabilities.

Special Olympics Washington promotes social inclusion through intentionally planned and implemented activities. These programs equip young adults with the tools and training to create a culture and climate of acceptance in sports, classrooms, and communities.

The bill makes a small change to a relatively narrow statute. The bill increases the value of the grand prize, which will better promote the raffle and engage more participants. The bill will allow Special Olympics Washington to continue to use this important funding mechanism.

(Opposed) None.

(Other) The Commission is neutral and does not have any concerns with the contents of the

bill. The Legislature passed the enhanced raffle bill in 2013 and later extended the program to sunset on June 2022. Special Olympics Washington submits their raffle plans to the Commission for approval, typically on an annual basis.

**Persons Testifying:** (In support) Representative Wicks, prime sponsor; Brynn Brady and Garrett Utz, Special Olympics Washington.

(Other) Brian Considine, Washington State Gambling Commission.

**Persons Signed In To Testify But Not Testifying:** None.