
HOUSE BILL 2497

State of Washington

52nd Legislature

1992 Regular Session

By Representatives May, Peery, Edmondson, Vance, Van Luven, Broback, Chandler, Morton, Ebersole, Tate, H. Sommers, Brough, Rayburn, Moyer, Fraser, Fuhrman, Grant, P. Johnson, Bray, Wood, Horn, Wynne, Dellwo, Silver, Spanel, Hochstatter, Miller, Ludwig, Ogden, Mitchell, Basich, Sheldon, Heavey, Ballard, Winsley, Paris, Lisk, Orr, J. Kohl, Kremen, Pruitt, Forner, Casada, Rasmussen and H. Myers

Read first time 01/20/92. Referred to Committee on Capital Facilities & Financing.

1 AN ACT Relating to financing the construction of common school
2 facilities through the dedication of excess state lottery revenues;
3 amending RCW 67.70.040, 67.70.190, 67.70.240, and 28A.515.320; creating
4 a new section; and providing an effective date.

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

6 NEW SECTION. **Sec. 1.** It is the intent of the legislature that
7 lottery revenues above those necessary for the payment of prizes and
8 administrative expenses be dedicated to construction of common school
9 facilities. It is intended that these revenues be in addition to other
10 revenue sources for school funding and that such other sources not be
11 reduced because of the dedication of funds in this act.

12 **Sec. 2.** RCW 67.70.040 and 1991 c 359 s 1 are each amended to read
13 as follows:

1 The commission shall have the power, and it shall be its duty:

2 (1) To promulgate such rules governing the establishment and
3 operation of a state lottery as it deems necessary and desirable in
4 order that such a lottery be initiated at the earliest feasible and
5 practicable time, and in order that such lottery produce the maximum
6 amount of net revenues for the state consonant with the dignity of the
7 state and the general welfare of the people. Such rules shall include,
8 but shall not be limited to, the following:

9 (a) The type of lottery to be conducted which may include the
10 selling of tickets or shares. The use of electronic or mechanical
11 devices or video terminals which allow for individual play against such
12 devices or terminals shall be prohibited. Approval of the legislature
13 shall be required before entering any agreement with other state
14 lotteries to conduct shared games;

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

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

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

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

22 (f) The frequency of the drawings or selections of winning tickets
23 or shares, without limitation;

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

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

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

1 (j) The manner and amount of compensation, if any, to be paid
2 licensed sales agents necessary to provide for the adequate
3 availability of tickets or shares to prospective buyers and for the
4 convenience of the public;

5 (k) The apportionment of the total revenues accruing from the sale
6 of lottery tickets or shares and from all other sources among: (i) The
7 payment of prizes to the holders of winning tickets or shares, which
8 shall not be less than forty-five percent of the gross annual revenue
9 from such lottery, less amounts of unclaimed prizes deposited in the
10 general fund under RCW 67.70.190 during the fiscal year ending June 30,
11 1989, (ii) transfers to the lottery administrative account created by
12 RCW 67.70.260, and (iii) transfers to the (~~state's general~~) common
13 school construction fund. Transfers to the (~~state general~~) common
14 school construction fund shall be made in compliance with RCW
15 43.01.050;

16 (l) Such other matters necessary or desirable for the efficient and
17 economical operation and administration of the lottery and for the
18 convenience of the purchasers of tickets or shares and the holders of
19 winning tickets or shares.

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

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

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

28 **Sec. 3.** RCW 67.70.190 and 1988 c 289 s 802 are each amended to
29 read as follows:

1 (1) Unclaimed prizes shall be retained in the state lottery account
2 for the person entitled thereto for one hundred eighty days after the
3 drawing in which the prize is won, or after the official end of the
4 game for instant prizes. If no claim is made for the prize within this
5 time, the prize shall be retained in the state lottery fund for further
6 use as prizes, except as provided in subsection (2) of this section,
7 and all rights to the prize shall be extinguished.

8 (2) During the fiscal year ending June 30, 1989, moneys from
9 unclaimed prizes shall be used as follows:

10 (a) Fifty percent of the moneys, not exceeding one million dollars,
11 shall be deposited quarterly in the ~~((general))~~ common school
12 construction fund.

13 (b) The remainder of the moneys shall be retained in the state
14 lottery account for further use as prizes.

15 **Sec. 4.** RCW 67.70.240 and 1987 c 513 s 7 are each amended to read
16 as follows:

17 The moneys in the state lottery account shall be used only: (1)
18 For the payment of prizes to the holders of winning lottery tickets or
19 shares; (2) for purposes of making deposits into the reserve account
20 created by RCW 67.70.250 and into the lottery administrative account
21 created by RCW 67.70.260; (3) for purposes of making deposits into the
22 ~~((state's general))~~ common school construction fund; (4) ~~((for purposes~~
23 ~~of making deposits into the housing trust fund under the provisions of~~
24 ~~section 7 of this 1987 act; (5))~~) for the purchase and promotion of
25 lottery games and game-related services; and ~~((+6))~~ (5) for the
26 payment of agent compensation.

27 The office of financial management shall require the allotment of
28 all expenses paid from the account and shall report to the ways and

1 means committees of the senate and house of representatives any changes
2 in the allotments.

3 **Sec. 5.** RCW 28A.515.320 and 1991 1st sp.s. c 13 s 58 are each
4 amended to read as follows:

5 The common school construction fund is to be used exclusively for
6 the purpose of financing the construction of facilities for the common
7 schools. The sources of said fund shall be: (1) Those proceeds
8 derived from sale or appropriation of timber and other crops from
9 school and state land other than those granted for specific purposes;
10 (2) the interest accruing on the permanent common school fund less the
11 allocations to the state treasurer's service account pursuant to RCW
12 43.08.190 and the state investment board expense account pursuant to
13 RCW 43.33A.160 together with all rentals and other revenue derived
14 therefrom and from land and other property devoted to the permanent
15 common school fund; (3) all moneys received by the state from the
16 United States under the provisions of section 191, Title 30, United
17 State Code, Annotated, and under section 810, chapter 12, Title 16,
18 (Conservation), United States Code, Annotated, except moneys received
19 before June 30, 2001, and when thirty megawatts of geothermal power is
20 certified as commercially available by the receiving utilities and the
21 state energy office, eighty percent of such moneys, under the
22 Geothermal Steam Act of 1970 pursuant to RCW 43.140.030; ~~((and))~~ (4)
23 transfers from the state lottery account pursuant to chapter 67.70 RCW;
24 and (5) such other sources as the legislature may direct. That portion
25 of the common school construction fund derived from interest on the
26 permanent common school fund may be used to retire such bonds as may be
27 authorized by law for the purpose of financing the construction of
28 facilities for the common schools.

1 The interest accruing on the permanent common school fund less the
2 allocations to the state treasurer's service account pursuant to RCW
3 43.08.190 and the state investment board expense account pursuant to
4 RCW 43.33A.160 together with all rentals and other revenues accruing
5 thereto pursuant to subsection (2) of this section prior to July 1,
6 1967, shall be exclusively applied to the current use of the common
7 schools.

8 To the extent that the moneys in the common school construction
9 fund are in excess of the amount necessary to allow fulfillment of the
10 purpose of said fund, the excess shall be available for deposit to the
11 credit of the permanent common school fund or available for the current
12 use of the common schools, as the legislature may direct. Any money
13 from the common school construction fund which is made available for
14 the current use of the common schools shall be restored to the fund by
15 appropriation, including interest income foregone, before the end of
16 the next fiscal biennium following such use.

17 NEW SECTION. **Sec. 6.** This act shall take effect July 1, 1993.