

SENATE BILL REPORT

SB 5338

As of February 10, 1995

Title: An act relating to financing the construction of common school facilities through the dedication of excess state lottery revenues.

Brief Description: Dedicating excess lottery revenues to construction of common school facilities.

Sponsors: Senators Morton, West, Finkbeiner, McCaslin, Hochstatter, Moyer, Deccio, Winsley, Long, Sellar and Franklin.

Brief History:

Committee Activity: Ways & Means: 2/9/95.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Susan Lucas (786-7711)

Background: The State Lottery Commission is authorized to apportion revenues accruing from the sale of lottery tickets and shares among: 1) the payment of prizes to the holders of winning tickets or shares; 2) transfers to the lottery administrative account created by statute; and 3) transfers to the state's general fund. Not less than 45 percent of the gross annual revenue from the lottery is paid as prizes to the holders of winning tickets.

Moneys in the state lottery account may be used only for payment of prizes to the holders of winning lottery tickets or shares, making deposits into the state lottery administrative and reserve accounts, and making deposits into the state general fund. The Office of Financial Management requires the allotment of all expenses paid from the account.

Summary of Bill: Revenues from the state lottery previously designated for the state's general fund are to be deposited into the common school construction fund.

Appropriation: None.

Fiscal Note: Requested on January 20, 1995.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The dedication of Lottery funds to K-12 school construction is necessary because of the steady decline in timber sales, continued increases in school enrollment and a continued need to ask for bond money. These needs for schools won't be disappearing -- 10,000 new students will enter school next year. In the 1980s, timber revenues dropped at the same time that school populations increased and many school buildings reached the end of their useful lives. The Lottery revenues will provide a more stable funding source than

timber revenues do. However, K-12 construction does need a stable, permanent source of funding which the Lottery may or may not provide.

Testimony Against: None.

Testified: Larry Davis, State Board of Education; Roger Wilson, Lottery Commission; Dwayne Slate, School Directors' Association; Barbara Mertens, Washington School Administrators' Association.