

SSB 5878 - S AMD 315
By Senator Prentice

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** It is the policy of this state to prohibit
4 all forms and means of gambling, except where carefully and
5 specifically authorized and regulated. With the advent of the internet
6 and other technologies and means of communication that were not
7 contemplated when either the gambling act was enacted in 1973, or the
8 lottery commission was created in 1982, it is appropriate for this
9 legislature to reaffirm the policy prohibiting gambling that exploits
10 such new technologies.

11 **Sec. 2.** RCW 9.46.240 and 1991 c 261 s 9 are each amended to read
12 as follows:

13 Whoever knowingly transmits or receives gambling information by
14 telephone, telegraph, radio, semaphore, the internet, or similar means,
15 or knowingly installs or maintains equipment for the transmission or
16 receipt of gambling information shall be guilty of a gross misdemeanor
17 subject to the penalty set forth in RCW 9A.20.021: PROVIDED, HOWEVER,
18 That this section shall not apply to such information transmitted or
19 received or equipment installed or maintained relating to activities
20 authorized by this chapter or to any act or acts in furtherance thereof
21 when conducted in compliance with the provisions of this chapter and in
22 accordance with the rules and regulations adopted pursuant thereto.

23 **Sec. 3.** RCW 67.70.040 and 1994 c 218 s 4 are each amended to read
24 as follows:

25 The commission shall have the power, and it shall be its duty:
26 (1) To (~~promulgate such~~) adopt rules governing the establishment
27 and operation of a state lottery as it deems necessary and desirable in
28 order that such a lottery be initiated at the earliest feasible and

1 practicable time, and in order that such lottery produce the maximum
2 amount of net revenues for the state consonant with the dignity of the
3 state and the general welfare of the people. Such rules shall include,
4 but shall not be limited to, the following:

5 (a) The type of lottery to be conducted which may include the
6 selling of tickets or shares((-)), with the following exceptions: (i)
7 The use of electronic or mechanical devices or video terminals which
8 allow for individual play against such devices or terminals shall be
9 prohibited((-)); (ii) the use of devices or terminals shall also be
10 prohibited if the device or terminal electronically or digitally
11 displays whether or not a player has selected or obtained the winning
12 ticket, share, or any other means of qualifying to win a prize,
13 including but not limited to video representations of pull-tabs, bingo,
14 poker or other card games, dice, roulette, or other games of chance;
15 and (iii) approval of the legislature shall be required before entering
16 any agreement with other state lotteries to conduct shared games;

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

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

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

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

24 (f) The frequency of the drawings or selections of winning tickets
25 or shares. Approval of the legislature is required before conducting
26 any on-line game in which the drawing or selection of winning tickets
27 occurs more frequently than once every twenty-four hours;

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

30 (h) The method to be used in selling tickets or shares. However,
31 no tickets or shares, or any other means of becoming eligible to win a
32 prize may be purchased, sold, played, redeemed, or otherwise transacted
33 over the internet, or other communications system that allows the
34 player to not be physically present on the premises of a licensed sales
35 agent or the state lottery when making the transaction;

36 (i) The licensing of agents to sell or distribute tickets or
37 shares, except that a person under the age of eighteen shall not be
38 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, (ii) transfers to the lottery administrative account
10 created by RCW 67.70.260, and (iii) transfer to the state's general
11 fund. Transfers to the state general fund shall be made in compliance
12 with RCW 43.01.050;

13 (1) Such other matters necessary or desirable for the efficient and
14 economical operation and administration of the lottery and for the
15 convenience of the purchasers of tickets or shares and the holders of
16 winning tickets or shares.

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

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

23 (4) To advise and make recommendations to the director for the
24 operation and administration of the lottery."

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25 On page 1, line 2 of the title, after "gambling;" strike the
26 remainder of the title and insert "amending RCW 9.46.240 and 67.70.040;
27 and creating a new section."

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