

SENATE BILL REPORT

SB 5273

As Reported by Senate Committee On:
Commerce & Labor, February 15, 2013
Ways & Means, March 1, 2013

Title: An act relating to the veterans innovation program.

Brief Description: Concerning the veterans innovation program and the use of moneys in the state lottery account.

Sponsors: Senators Conway, Bailey, Fain, Hobbs, Holmquist Newbry and Shin; by request of Washington State Lottery and Department of Veterans Affairs.

Brief History:

Committee Activity: Commerce & Labor: 2/06/13, 2/15/13 [DP-WM].
Ways & Means: 2/28/13, 3/01/13 [DPS, w/oRec].

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Holmquist Newbry, Chair; Braun, Vice Chair; Conway, Ranking Member; Hasegawa, Hewitt, Keiser and King.

Staff: Mac Nicholson (786-7445)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5273 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hill, Chair; Honeyford, Capital Budget Chair; Hargrove, Ranking Member; Nelson, Assistant Ranking Member; Bailey, Becker, Braun, Conway, Dammeier, Fraser, Hatfield, Hewitt, Keiser, Kohl-Welles, Murray, Padden, Parlette, Ranker, Rivers, Schoesler and Tom.

Minority Report: That it be referred without recommendation.

Signed by Senator Hasegawa.

Staff: Dianne Criswell (786-7433)

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.

Background: Lottery. The Washington Lottery was established in 1982. Lottery revenues are used for the following purposes:

- Washington Opportunity Pathways Account;
- stadium bonds;
- problem gambling education; and
- economic development.

Veterans Innovations Program (VIP). In 2006 the Legislature established VIP within the Department of Veterans Affairs. The purpose of the VIP is to provide crisis and emergency relief and education, training, and employment assistance to veterans and their families. The VIP terminates on June 30, 2016.

Two separate programs were created within the VIP: the Defenders' Fund Program and the Competitive Grant Program. The Defenders' Fund Program allows recent veterans to receive a one-time financial hardship grant of no more than \$500; \$1,000 allowed in fiscal year 2007-09; related to employment, education, housing, and health care. The Competitive Grant Program provides crisis and emergency relief, education, training, and employment assistance.

Veterans' Raffle. In 2011 the Legislature established the veterans' raffle. The Lottery Commission was directed to conduct an annual statewide raffle to benefit veterans and their families.

All revenues received from the sale of the tickets, less amounts paid out in prizes and actual administrative expenses related to the veteran lottery games, must be deposited into the VIP Account for purposes of serving veterans and their families.

Summary of Bill (Recommended Substitute): The laws relating to the Veteran Lottery Raffle and the VIP termination and repeal, are deleted or repealed.

Removes language directing the state lottery account to deposit funds into the education construction fund.

Removes language directing the state lottery account to distribute money to pay for principal and interest payments on bonds issued by a county to construct a baseball stadium.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Substitute): Removes the requirement to distribute \$300,000 of lottery revenue annually to the VIP account.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill (Commerce & Labor): PRO: Trying to figure out a solution to the Veteran's Raffle because tickets have fallen short. This bill assures lottery money will go directly to the VIP. The idea is to secure the funding for this critical program. This bill will bring sustainable funding to the VIP at \$300,000 per year. It eliminates the Veteran's Raffle that has proven to be a drain of resources and is unreliable and offers flexibility to the Lottery to work with the Office of Veterans Affairs to sustain the VIP. This money has given positive outcomes the service men and women and allows them to stay engaged in their employment, education, and family lives and be productive members of our society. This money has enhanced their ability at a low amount. The Department wraps this around other services for Veterans. The Coalition supports the bill.

Persons Testifying (Commerce & Labor): PRO: Senator Conway, prime sponsor; Arlen Harris, WA State Lottery; Mary Forbs, Department of Veterans Affairs; Dennis Primoli, Veterans Legislative Coalition.

Staff Summary of Public Testimony on Original Bill (Ways & Means): PRO: This will remove an annual raffle, which is a drain on resources, and replace it with a sustainable source of revenue for the VIP with little impact to other lottery beneficiaries. The VIP assists families suffering from financial hardships due to deployment. In part, this program is used as a last resort, when all other resources to assist these families with housing and education have been exhausted or are not available. This program has provided important employment, education, and family support services. The Coalition supports the bill.

Persons Testifying (Ways & Means): PRO: Arlen Harris, WA State Lottery; Heidi Audette, Dept. of Veterans Affairs; Ted Wicorek, Veterans Legislative Coalition.