

# FINAL BILL REPORT

## ESSB 5723

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Synopsis as Enacted

**Brief Description:** Authorizing enhanced raffles conducted by bona fide charitable or nonprofit organizations serving individuals with intellectual disabilities.

**Sponsors:** Senate Committee on Commerce & Labor (originally sponsored by Senators Hewitt, Conway, Brown and Kline).

**Senate Committee on Commerce & Labor**  
**House Committee on Government Accountability & Oversight**

**Background:** Bona fide charitable and nonprofit organizations may legally conduct raffles when licensed to do so by the Washington State Gambling Commission (Commission), and the raffles are conducted pursuant to relevant rules and regulations. The cap on raffle ticket prices is \$100 per ticket, with a single prize limit of \$40,000 unless otherwise approved by the Commission. There is no limit on the number of regular raffles, though an organization must receive permission from the Commission to offer raffle prizes exceeding \$300,000 in a license year. Only members of the organization may take a role in the management and operation of the raffle, and the proceeds can only go to the organization. Ticket sales must be in person and must be paid for in full at the time of purchase.

**Summary:** Until June 2017, bona fide charitable and nonprofit organizations may conduct enhanced raffles if the primary purpose of the organization is serving individuals with intellectual disabilities. The Commission may approve four enhanced raffles per year, two in western Washington and two in eastern Washington. An enhanced raffle is a game in which a grand prize and smaller prizes are awarded on the basis of raffle ticket drawings.

Enhanced raffles are subject to the following conditions:

- the cap on individual ticket prices is \$250 per ticket;
- value of the grand prize is capped at \$5 million;
- ticket sales may be in person or by mail, fax, or telephone;
- raffle ticket order forms may be printed from the organization's website;
- multiple ticket packages may be purchased at a discount;
- multiple smaller prizes are authorized, including early bird, refer a friend, and multiple ticket drawing;
- for noncash prizes, the organization must demonstrate that the prize is available and that sufficient funds are available to purchase the noncash prize; and

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

- raffles must be independently audited.

Call centers may be licensed by the Commission to receive ticket sales, but the organization must be the primary recipient of the funds raised through the raffle. Receipts for sales including confirmation numbers, may be sent via regular or electronic mail. Organizations must have a dedicated employee responsible for oversight of enhanced raffle operations and may hire a Commission-licensed consultant to run an enhanced raffle.

If ticket sales are insufficient to qualify for a complete enhanced raffle, the grand prize must be half of the net proceeds in excess of expenses. The winner may choose between an annuity or a cash payment.

The Commission must report back to the Legislature on enhanced raffles by December 2016.

**Votes on Final Passage:**

Senate	38	11	
House	94	2	(House amended)
Senate	36	12	(Senate concurred)

**Effective:** July 28, 2013.