
SENATE BILL 5379

State of Washington

67th Legislature

2021 Regular Session

By Senator Stanford

1 AN ACT Relating to enhanced raffle procedures; and amending RCW
2 9.46.0323.

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

4 **Sec. 1.** RCW 9.46.0323 and 2016 c 116 s 1 are each amended to
5 read as follows:

6 (1) A bona fide charitable or nonprofit organization, as defined
7 in RCW 9.46.0209, whose primary purpose is serving individuals with
8 intellectual disabilities may conduct enhanced raffles if licensed by
9 the commission.

10 (2) The commission has the authority to approve two enhanced
11 raffles per calendar year for western Washington and two enhanced
12 raffles per calendar year for eastern Washington. Whether the
13 enhanced raffle occurs in western Washington or eastern Washington
14 will be determined by the location where the grand prize winning
15 ticket is to be drawn as stated on the organization's application to
16 the commission. An enhanced raffle is considered approved when voted
17 on by the commission.

18 (3) The commission has the authority to approve enhanced raffles
19 under the following conditions:

20 (a) The value of the grand prize must not exceed (~~five million~~
21 ~~dollars~~) \$10,000,000.

1 (b) ~~((Sales))~~ Enhanced raffle ticket purchase orders may be
2 ~~((made in person,))~~ submitted by mail, ~~((by))~~ fax, ~~((or by))~~
3 telephone ~~((only))~~, email, completing an order form on the bona fide
4 charitable or nonprofit organization's website, or in person.
5 ~~((Raffle ticket order forms may be printed from the bona fide~~
6 ~~charitable or nonprofit organization's website. Obtaining the form in~~
7 ~~this manner))~~ Submitting an order using one of the methods in this
8 subsection does not constitute a sale.

9 (c) Ticket purchase orders submitted by fax, email, or website
10 must not be processed within five minutes of receipt; further, ticket
11 purchase orders must be processed by a separate, physical act
12 performed by the bona fide charitable or nonprofit organization. A
13 ticket sale is complete when (i) payment is separately processed by
14 the bona fide charitable or nonprofit organization, and (ii) a
15 receipt is provided to the purchaser, as authorized in this section.

16 (d) All funds received from enhanced raffle ticket purchase sales
17 must be deposited in a federally insured depository account under the
18 exclusive ownership and control of the bona fide charitable or
19 nonprofit organization.

20 (e) Tickets purchased as part of a multiple ticket package may be
21 purchased at a discount.

22 ~~((d))~~ (f) Multiple smaller prizes are authorized during the
23 course of an enhanced raffle for a grand prize including, but not
24 limited to, early bird, refer a friend, and multiple ticket drawings.

25 ~~((e))~~ (g) A purchase contract is not necessary for smaller
26 noncash prizes, but the bona fide charitable or nonprofit
27 organization must be able to demonstrate that such a prize is
28 available and sufficient funds are held in reserve in the event that
29 the winner chooses a noncash prize.

30 ~~((f))~~ (h) All enhanced raffles and associated smaller raffles
31 must be independently audited, as defined by the commission during
32 rule making. The audit results must be reported to the commission.

33 ~~((g))~~ (i) Call centers, when licensed by the commission, are
34 authorized. The bona fide charitable or nonprofit organization may
35 contract with a call center vendor to receive enhanced raffle ticket
36 sales. The vendor may not solicit sales. The vendor may be located
37 outside the state, but the bona fide charitable or nonprofit
38 organization must have a contractual relationship with the vendor
39 stating that the vendor must comply with all applicable Washington
40 state laws and rules.

1 ~~((h))~~ (j) The bona fide charitable or nonprofit organization
2 must be the primary recipient of the funds raised.

3 ~~((i))~~ (k) Sales data may be transmitted electronically from the
4 vendor to the bona fide charitable or nonprofit organization. Credit
5 cards, issued by a state regulated or federally regulated financial
6 institution, may be used for payment to participate in enhanced
7 raffles.

8 ~~((j))~~ (l) Receipts including ticket confirmation numbers may be
9 sent to ticket purchasers either by mail or by email.

10 ~~((k))~~ (m) In the event the bona fide charitable or nonprofit
11 organization determines ticket sales are insufficient to qualify for
12 a complete enhanced raffle to move forward, the enhanced raffle
13 winner must receive fifty percent of the net proceeds in excess of
14 expenses as the grand prize. The enhanced raffle winner will receive
15 a choice between an annuity value equal to fifty percent of the net
16 proceeds in excess of expenses paid by annuity over twenty years, or
17 a one-time cash payment of seventy percent of the annuity value.

18 ~~((l))~~ (n) A bona fide charitable or nonprofit organization is
19 authorized to hire a consultant licensed by the commission to run an
20 enhanced raffle; in addition, the bona fide charitable or nonprofit
21 organization must have a dedicated employee who is responsible for
22 oversight of enhanced raffle operations. The bona fide charitable or
23 nonprofit organization is ultimately responsible for ensuring that an
24 enhanced raffle is conducted in accordance with all applicable state
25 laws and rules.

26 (4) The commission has the authority to set fees for bona fide
27 charitable or nonprofit organizations, call center vendors, and
28 consultants conducting enhanced raffles authorized under this
29 section.

30 (5) The commission has the authority to adopt rules governing the
31 licensing and operation of enhanced raffles.

32 (6) Except as specifically authorized in this section, enhanced
33 raffles must be held in accordance with all other requirements of
34 this chapter, other applicable laws, and rules of the commission.

35 (7) For the purposes of this section:

36 (a) "Enhanced raffle" means a game in which tickets bearing an
37 individual number are sold for not more than two hundred fifty
38 dollars each and in which a grand prize and smaller prizes are
39 awarded on the basis of drawings from the tickets by the person or
40 persons conducting the game. An enhanced raffle may include

1 additional related entries and drawings, such as early bird, refer a
2 friend, and multiple ticket drawings when the bona fide charitable or
3 nonprofit organization establishes the eligibility standards for such
4 entries and drawings before any enhanced raffle tickets are sold. No
5 drawing may occur by using a random number generator or similar
6 means.

7 (b) "Early bird drawing" means a separate drawing for a separate
8 prize held prior to the grand prize drawing. All tickets entered into
9 the early bird drawing, including all early bird winning tickets, are
10 entered into subsequent early bird drawings, and also entered into
11 the drawing for the grand prize.

12 (c) "Refer a friend drawing" means a completely separate drawing,
13 using tickets distinct from those for the enhanced raffle, for a
14 separate prize held at the conclusion of the enhanced raffle for all
15 enhanced raffle ticket purchasers, known as the referring friend, who
16 refer other persons to the enhanced raffle when the other person
17 ultimately purchases an enhanced raffle ticket. The referring friend
18 will receive one ticket for each friend referred specifically for the
19 refer a friend drawing. In addition, each friend referred could also
20 become a referring friend and receive his or her own additional
21 ticket for the refer a friend drawing.

22 (d) "Multiple ticket drawing" means a completely separate
23 drawing, using tickets distinct from those for the enhanced raffle,
24 for a separate prize held at the conclusion of the enhanced raffle
25 for all enhanced raffle ticket purchasers who purchase a specified
26 number of enhanced raffle tickets. For example, a multiple ticket
27 drawing could include persons who purchase three or more enhanced
28 raffle tickets in the same order, using the same payment information,
29 with tickets in the same person's name. For each eligible enhanced
30 raffle ticket purchased, the purchaser also receives a ticket for the
31 multiple ticket drawing prize.

32 (e) "Western Washington" includes those counties west of the
33 Cascade mountains, including Clallam, Clark, Cowlitz, Grays Harbor,
34 Island, Jefferson, King, Kitsap, Lewis, Mason, Pacific, Pierce, San
35 Juan, Skagit, Skamania, Snohomish, Thurston, Wahkiakum, and Whatcom.

36 (f) "Eastern Washington" includes those counties east of the
37 Cascade mountains that are not listed in (e) of this subsection.

38 (8) (~~By December 2016, the commission must report back to the~~
39 ~~appropriate committees of the legislature on enhanced raffles~~)) The
40 commission's reporting obligations under RCW 9.46.090 must address

1 enhanced raffles. The report must include results of the raffles,
2 revenue generated by the raffles, and identify any state or federal
3 regulatory actions taken in relation to enhanced raffles in
4 Washington. The report must also make recommendations, if any, for
5 policy changes to the enhanced raffle authority.

6 (~~(9) This section expires June 30, 2022.~~)

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