
SENATE BILL 5410

State of Washington

67th Legislature

2021 Regular Session

By Senators Stanford, King, and Nguyen

Read first time 02/02/21. Referred to Committee on Labor, Commerce & Tribal Affairs.

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 may be made in person, by mail, by fax, or by telephone
2 only. Raffle ticket order forms may be printed from the bona fide
3 charitable or nonprofit organization's website. Obtaining the form in
4 this manner does not constitute a sale.

5 (c) Tickets purchased as part of a multiple ticket package may be
6 purchased at a discount.

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

10 (e) A purchase contract is not necessary for smaller noncash
11 prizes, but the bona fide charitable or nonprofit organization must
12 be able to demonstrate that such a prize is available and sufficient
13 funds are held in reserve in the event that the winner chooses a
14 noncash prize.

15 (f) All enhanced raffles and associated smaller raffles must be
16 independently audited, as defined by the commission during rule
17 making. The audit results must be reported to the commission.

18 (g) Call centers, when licensed by the commission, are
19 authorized. The bona fide charitable or nonprofit organization may
20 contract with a call center vendor to receive enhanced raffle ticket
21 sales. The vendor may not solicit sales. The vendor may be located
22 outside the state, but the bona fide charitable or nonprofit
23 organization must have a contractual relationship with the vendor
24 stating that the vendor must comply with all applicable Washington
25 state laws and rules.

26 (h) The bona fide charitable or nonprofit organization must be
27 the primary recipient of the funds raised.

28 (i) Sales data may be transmitted electronically from the vendor
29 to the bona fide charitable or nonprofit organization. Credit cards,
30 issued by a state regulated or federally regulated financial
31 institution, may be used for payment to participate in enhanced
32 raffles.

33 (j) Receipts including ticket confirmation numbers may be sent to
34 ticket purchasers either by mail or by email.

35 (k) In the event the bona fide charitable or nonprofit
36 organization determines ticket sales are insufficient to qualify for
37 a complete enhanced raffle to move forward, the enhanced raffle
38 winner must receive fifty percent of the net proceeds in excess of
39 expenses as the grand prize. The enhanced raffle winner will receive
40 a choice between an annuity value equal to fifty percent of the net

1 proceeds in excess of expenses paid by annuity over twenty years, or
2 a one-time cash payment of seventy percent of the annuity value.

3 (1) A bona fide charitable or nonprofit organization is
4 authorized to hire a consultant licensed by the commission to run an
5 enhanced raffle; in addition, the bona fide charitable or nonprofit
6 organization must have a dedicated employee who is responsible for
7 oversight of enhanced raffle operations. The bona fide charitable or
8 nonprofit organization is ultimately responsible for ensuring that an
9 enhanced raffle is conducted in accordance with all applicable state
10 laws and rules.

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

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

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

20 (7) For the purposes of this section:

21 (a) "Enhanced raffle" means a game in which tickets bearing an
22 individual number are sold for not more than two hundred fifty
23 dollars each and in which a grand prize and smaller prizes are
24 awarded on the basis of drawings from the tickets by the person or
25 persons conducting the game. An enhanced raffle may include
26 additional related entries and drawings, such as early bird, refer a
27 friend, and multiple ticket drawings when the bona fide charitable or
28 nonprofit organization establishes the eligibility standards for such
29 entries and drawings before any enhanced raffle tickets are sold. No
30 drawing may occur by using a random number generator or similar
31 means.

32 (b) "Early bird drawing" means a separate drawing for a separate
33 prize held prior to the grand prize drawing. All tickets entered into
34 the early bird drawing, including all early bird winning tickets, are
35 entered into subsequent early bird drawings, and also entered into
36 the drawing for the grand prize.

37 (c) "Refer a friend drawing" means a completely separate drawing,
38 using tickets distinct from those for the enhanced raffle, for a
39 separate prize held at the conclusion of the enhanced raffle for all
40 enhanced raffle ticket purchasers, known as the referring friend, who

1 refer other persons to the enhanced raffle when the other person
2 ultimately purchases an enhanced raffle ticket. The referring friend
3 will receive one ticket for each friend referred specifically for the
4 refer a friend drawing. In addition, each friend referred could also
5 become a referring friend and receive his or her own additional
6 ticket for the refer a friend drawing.

7 (d) "Multiple ticket drawing" means a completely separate
8 drawing, using tickets distinct from those for the enhanced raffle,
9 for a separate prize held at the conclusion of the enhanced raffle
10 for all enhanced raffle ticket purchasers who purchase a specified
11 number of enhanced raffle tickets. For example, a multiple ticket
12 drawing could include persons who purchase three or more enhanced
13 raffle tickets in the same order, using the same payment information,
14 with tickets in the same person's name. For each eligible enhanced
15 raffle ticket purchased, the purchaser also receives a ticket for the
16 multiple ticket drawing prize.

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

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

23 (8) (~~By December 2016, the commission must report back to the~~
24 ~~appropriate committees of the legislature on enhanced raffles~~) The
25 commission's reporting obligations under RCW 9.46.090 must address
26 enhanced raffles. The report must include results of the raffles,
27 revenue generated by the raffles, and identify any state or federal
28 regulatory actions taken in relation to enhanced raffles in
29 Washington. The report must also make recommendations, if any, for
30 policy changes to the enhanced raffle authority.

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

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