

# HOUSE BILL REPORT

## HB 1070

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**As Reported by House Committee On:**  
Commerce & Labor

**Title:** An act relating to veteran lottery games.

**Brief Description:** Concerning veteran lottery games.

**Sponsors:** Representatives Moeller, Williams, Blake, Sells and Morrell.

**Brief History:**

**Committee Activity:**

Commerce & Labor: 2/11/09, 2/18/09 [DPS].

**Brief Summary of Substitute Bill**

- Transfers any revenues remaining in the Shared Game Lottery Account, after required transfers to the Education Construction Account, to the Veterans Innovations Program Account, up to \$2 million annually, before any transfers are made to the General Fund.

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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 5 members: Representatives Conway, Chair; Wood, Vice Chair; Green, Moeller and Williams.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Condotta, Ranking Minority Member; Chandler and Crouse.

**Staff:** Joan Elgee (786-7106)

**Background:**

Lottery. The Washington Lottery (Lottery) was established in 1982. Lottery revenues, after payment of prizes and administrative expenses, are used for education construction, paying off stadium bonds, problem gambling services, economic development, and the General Fund.

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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.*

In 2002 the Legislature authorized the Lottery to participate in a multi-state shared game lottery. After transfers for problem gambling services, revenues from the shared game lottery are transferred to the Education Construction Account to bring the total revenue from both in-state and out-of-state lottery games transferred to the Education Construction Account up to \$102 million. Any amounts remaining after the transfers to the Education Construction Account are deposited into the General Fund. Amounts the General Fund received in recent years are: \$7.6 million in FY 2006, \$0 in FY 2007, and \$11.1 million in FY 2008.

Veterans Innovations Program. In 2006 the Legislature established the Veterans Innovations Program (VIP) within the Department of Veterans Affairs. The purpose of the VIP is to provide crisis and emergency relief, as well as 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 in 2007-09) related to employment, education, housing, and health care. The Competitive Grant Program provides crisis and emergency relief, as well as education, training, and employment assistance.

Veterans are a specific beneficiary of lottery games in at least four states.

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**Summary of Substitute Bill:**

After transfers to bring the total revenue deposited from the Washington Lottery into the Education Construction Account up to \$102 million, any remaining revenues in the Shared Game Lottery Account must be transferred to the Veterans Innovations Program Account, up to \$2 million annually.

The Lottery Commission and the Department of Veterans Affairs must partner to promote veterans as a beneficiary of the lottery.

**Substitute Bill Compared to Original Bill:**

The original bill directed the Washington Lottery to create new scratch games to benefit veterans and their families, with the net proceeds from those games deposited into the Veterans Innovations Program Account.

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**Appropriation:** None.

**Fiscal Note:** Available. New fiscal note requested on 2/19/09.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) We need to find some money for a good program. The Veterans Innovations Program is very important to veterans. Veterans run into problems when they come back home and the need is always going to be there. It's hard to get money in the budget.

(Neutral) The "spillover" after the education construction transfers goes into the General Fund. The Washington Lottery (Lottery) has not always been able to contribute to the General Fund and is not recession proof. However, the Lottery is retooling with a goal of making the full contribution in FY 2010.

(Opposed) None.

**Persons Testifying:** (In support) Representative Moeller, prime sponsor; and Dennis Primoli, Veterans Legislative Coalition.

(Neutral) Arlen Harris, Washington's Lottery.

**Persons Signed In To Testify But Not Testifying:** None.