

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SUBSTITUTE SENATE BILL 5723**

Chapter 310, Laws of 2013

63rd Legislature  
2013 Regular Session

RAFFLES--ENHANCED RAFFLES--CHARITABLE ORGANIZATIONS

EFFECTIVE DATE: 07/28/13

Passed by the Senate April 23, 2013  
YEAS 36 NAYS 12

BRAD OWEN

\_\_\_\_\_  
**President of the Senate**

Passed by the House April 12, 2013  
YEAS 94 NAYS 2

FRANK CHOPP

\_\_\_\_\_  
**Speaker of the House of Representatives**

Approved May 20, 2013, 3:12 p.m.

JAY INSLEE

\_\_\_\_\_  
**Governor of the State of Washington**

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5723** as passed by the Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN

\_\_\_\_\_  
**Secretary**

FILED

May 20, 2013

**Secretary of State  
State of Washington**

---

**ENGROSSED SUBSTITUTE SENATE BILL 5723**

---

AS AMENDED BY THE HOUSE

Passed Legislature - 2013 Regular Session

**State of Washington**

**63rd Legislature**

**2013 Regular Session**

**By** Senate Commerce & Labor (originally sponsored by Senators Hewitt, Conway, Brown, and Kline)

READ FIRST TIME 02/21/13.

1 AN ACT Relating to enhanced raffles; adding a new section to  
2 chapter 9.46 RCW; and providing an expiration date.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 9.46 RCW  
5 to read as follows:

6 (1) A bona fide charitable or nonprofit organization, as defined in  
7 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 enhanced  
13 raffle occurs in western Washington or eastern Washington will be  
14 determined by the location where the grand prize winning ticket is to  
15 be drawn as stated on the organization's application to the commission.  
16 An enhanced raffle is considered approved when voted on by the  
17 commission.

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

1 (a) The value of the grand prize must not exceed five million  
2 dollars.

3 (b) Sales may be made in person, by mail, by fax, or by telephone  
4 only. Raffle ticket order forms may be printed from the bona fide  
5 charitable or nonprofit organization's web site. Obtaining the form in  
6 this manner does not constitute a sale.

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

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

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

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

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

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

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

34 (j) Receipts including ticket confirmation numbers may be sent to  
35 ticket purchasers either by mail or by e-mail.

36 (k) In the event the bona fide charitable or nonprofit organization  
37 determines ticket sales are insufficient to qualify for a complete  
38 enhanced raffle to move forward, the enhanced raffle winner must

1 receive fifty percent of the net proceeds in excess of expenses as the  
2 grand prize. The enhanced raffle winner will receive a choice between  
3 an annuity value equal to fifty percent of the net proceeds in excess  
4 of expenses paid by annuity over twenty years, or a one-time cash  
5 payment of seventy percent of the annuity value.

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

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

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

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

22 (7) For the purposes of this section:

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

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

1 (c) "Refer a friend drawing" means a completely separate drawing,  
2 using tickets distinct from those for the enhanced raffle, for a  
3 separate prize held at the conclusion of the enhanced raffle for all  
4 enhanced raffle ticket purchasers, known as the referring friend, who  
5 refer other persons to the enhanced raffle when the other person  
6 ultimately purchases an enhanced raffle ticket. The referring friend  
7 will receive one ticket for each friend referred specifically for the  
8 refer a friend drawing. In addition, each friend referred could also  
9 become a referring friend and receive his or her own additional ticket  
10 for the refer a friend drawing.

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

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

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

27 (8) By December 2016, the commission must report back to the  
28 appropriate committees of the legislature on enhanced raffles. The  
29 report must include results of the raffles, revenue generated by the  
30 raffles, and identify any state or federal regulatory actions taken in  
31 relation to enhanced raffles in Washington. The report must also make  
32 recommendations, if any, for policy changes to the enhanced raffle  
33 authority.

34 (9) This section expires June 30, 2017.

Passed by the Senate April 23, 2013.

Passed by the House April 12, 2013.

Approved by the Governor May 20, 2013.

Filed in Office of Secretary of State May 20, 2013.