
SENATE BILL 6459

State of Washington

60th Legislature

2008 Regular Session

By Senator Tom

Read first time 01/16/08. Referred to Committee on Labor, Commerce, Research & Development.

1 AN ACT Relating to directing the state lottery commission to
2 implement a raffle that awards scholarships as prizes; amending RCW
3 67.70.100 and 67.70.240; and adding a new section to chapter 67.70 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 67.70 RCW
6 to read as follows:

7 (1) The commission shall conduct a raffle game to be known as
8 WINaBRAIN. The price for a WINaBRAIN ticket is two dollars per ticket.
9 After one hundred thousand WINaBRAIN tickets are sold, the commission
10 must conduct a drawing to determine the winners of the WINaBRAIN
11 raffle. Winning tickets must be awarded prizes as follows: The first
12 four tickets drawn must be awarded twenty-five thousand dollars to be
13 used pursuant to subsection (2) of this section; and the next ten
14 thousand five hundred tickets drawn must be awarded a WINaBRAIN ticket
15 for the next raffle drawing.

16 (2) The twenty-five thousand dollar prize will be awarded as units
17 in the guaranteed education tuition program and the winner of the prize
18 must designate an account holder and a student beneficiary for the
19 guaranteed education tuition account.

1 (3) The commission must adopt rules to implement this section.

2 **Sec. 2.** RCW 67.70.100 and 1997 c 111 s 1 are each amended to read
3 as follows:

4 (1) Except under subsections (2) and (3) of this section, no right
5 of any person to a prize drawn is assignable, except that payment of
6 any prize drawn may be paid to the estate of a deceased prize winner,
7 and except that any person pursuant to an appropriate judicial order
8 may be paid the prize to which the winner is entitled.

9 (2)(a) The payment of all or part of the remainder of an annuity
10 may be assigned to another person, pursuant to a voluntary assignment
11 of the right to receive future annual prize payments, if the assignment
12 is made pursuant to an appropriate judicial order of the Thurston
13 county superior court or the superior court of the county in which the
14 prize winner resides, if the winner is a resident of Washington state.
15 If the prize winner is not a resident of Washington state, the winner
16 must seek an appropriate order from the Thurston county superior court.

17 (b) If there is a voluntary assignment under (a) of this
18 subsection, a copy of the petition for an order under (a) of this
19 subsection and all notices of any hearing in the matter shall be served
20 on the attorney general no later than ten days before any hearing or
21 entry of any order.

22 (c) The court receiving the petition may issue an order approving
23 the assignment and directing the director to pay to the assignee the
24 remainder or portion of an annuity so assigned upon finding that all of
25 the following conditions have been met:

26 (i) The assignment has been memorialized in writing and executed by
27 the assignor and is subject to Washington law;

28 (ii) The assignor provides a sworn declaration to the court
29 attesting to the facts that the assignor has had the opportunity to be
30 represented by independent legal counsel in connection with the
31 assignment, has received independent financial and tax advice
32 concerning the effects of the assignment, and is of sound mind and not
33 acting under duress, and the court makes findings determining so;

34 (iii) The assignee has provided a one-page written disclosure
35 statement that sets forth in bold-face type, fourteen point or larger,
36 the payments being assigned by amount and payment dates, the purchase
37 price, or loan amount being paid; the interest rate or rate of discount

1 to present value, assuming monthly compounding and funding on the
2 contract date; and the amount, if any, of any origination or closing
3 fees that will be charged to the lottery winner. The disclosure
4 statement must also advise the winner that the winner should consult
5 with and rely upon the advice of his or her own independent legal or
6 financial advisors regarding the potential federal and state tax
7 consequences of the transaction; and

8 (iv) The proposed assignment does not and will not include or cover
9 payments or portions of payments subject to offsets pursuant to RCW
10 67.70.255 unless appropriate provision is made in the order to satisfy
11 the obligations giving rise to the offset.

12 (d) The commission may intervene as of right in any proceeding
13 under this section but shall not be deemed an indispensable or
14 necessary party.

15 (3) The winner of a WINaBRAIN raffle must designate the account
16 holder and the student beneficiary for the guaranteed education tuition
17 account established under section 1 of this act.

18 (4) The director will not pay the assignee an amount in excess of
19 the annual payment entitled to the assignor.

20 ((+4)) (5) The commission may adopt rules pertaining to the
21 assignment of prizes under this section, including recovery of actual
22 costs incurred by the commission. The recovery of actual costs shall
23 be deducted from the initial annuity payment made to the assignee.

24 ((+5)) (6) No voluntary assignment under this section is effective
25 unless and until the national office of the federal internal revenue
26 service provides a ruling that declares that the voluntary assignment
27 of prizes will not affect the federal income tax treatment of prize
28 winners who do not assign their prizes. If at any time the federal
29 internal revenue service or a court of competent jurisdiction provides
30 a determination letter, revenue ruling, other public ruling of the
31 internal revenue service or published decision to any state lottery or
32 state lottery prize winner declaring that the voluntary assignment of
33 prizes will effect the federal income tax treatment of prize winners
34 who do not assign their prizes, the director shall immediately file a
35 copy of that letter, ruling, or published decision with the secretary
36 of state. No further voluntary assignments may be allowed after the
37 date the ruling, letter, or published decision is filed.

1 (~~(+6)~~) (7) The occurrence of any event described in subsection
2 (~~(+5)~~) (6) of this section does not render invalid or ineffective
3 assignments validly made and approved pursuant to an appropriate
4 judicial order before the occurrence of any such event.

5 (~~(+7)~~) (8) The requirement for a disclosure statement in
6 subsection (2)(c)(iii) of this section does not apply to any assignment
7 agreement executed before April 21, 1997.

8 (~~(+8)~~) (9) The commission and the director shall be discharged of
9 all further liability upon payment of a prize pursuant to this section.

10 **Sec. 3.** RCW 67.70.240 and 2001 c 3 s 4 (Initiative Measure No.
11 728, approved November 7, 2000) are each amended to read as follows:

12 The moneys in the state lottery account shall be used only:

13 (1) For the payment of prizes to the holders of winning lottery
14 tickets or shares, including the purchase of units in the guaranteed
15 education tuition program pursuant to section 1 of this act;

16 (2) For purposes of making deposits into the reserve account
17 created by RCW 67.70.250 and into the lottery administrative account
18 created by RCW 67.70.260;

19 (3) For purposes of making deposits into the education construction
20 fund and student achievement fund created in RCW 43.135.045. For the
21 transition period from July 1, 2001, until and including June 30, 2002,
22 fifty percent of the moneys not otherwise obligated under this section
23 shall be placed in the student achievement fund and fifty percent of
24 these moneys shall be placed in the education construction fund. On
25 and after July 1, 2002, until June 30, 2004, seventy-five percent of
26 these moneys shall be placed in the student achievement fund and
27 twenty-five percent shall be placed in the education construction fund.
28 On and after July 1, 2004, all deposits not otherwise obligated under
29 this section shall be placed in the education construction fund.
30 Moneys in the state lottery account deposited in the education
31 construction fund and the student achievement fund are included in
32 "general state revenues" under RCW 39.42.070;

33 (4) For distribution to a county for the purpose of paying the
34 principal and interest payments on bonds issued by the county to
35 construct a baseball stadium, as defined in RCW 82.14.0485, including
36 reasonably necessary preconstruction costs. Three million dollars
37 shall be distributed under this subsection during calendar year 1996.

1 During subsequent years, such distributions shall equal the prior
2 year's distributions increased by four percent. Distributions under
3 this subsection shall cease when the bonds issued for the construction
4 of the baseball stadium are retired, but not more than twenty years
5 after the tax under RCW 82.14.0485 is first imposed;

6 (5) For distribution to the stadium and exhibition center account,
7 created in RCW 43.99N.060. Subject to the conditions of RCW
8 43.99N.070, six million dollars shall be distributed under this
9 subsection during the calendar year 1998. During subsequent years,
10 such distribution shall equal the prior year's distributions increased
11 by four percent. No distribution may be made under this subsection
12 after December 31, 1999, unless the conditions for issuance of the
13 bonds under RCW 43.99N.020(2) are met. Distributions under this
14 subsection shall cease when the bonds are retired, but not later than
15 December 31, 2020;

16 (6) For the purchase and promotion of lottery games and game-
17 related services; and

18 (7) For the payment of agent compensation.

19 The office of financial management shall require the allotment of
20 all expenses paid from the account and shall report to the ways and
21 means committees of the senate and house of representatives any changes
22 in the allotments.

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