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SENATE BILL 6570

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State of Washington                      53rd Legislature                      1994 Regular Session

By Senators Skratek, Newhouse, Sheldon, Amondson and M. Rasmussen

Read first time 01/28/94. Referred to Committee on Labor & Commerce.

1            AN ACT Relating to gambling; amending RCW 9.46.0217, 9.46.0281,  
2 9.46.0351, 9.46.070, and 9.46.198; and prescribing penalties.

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

4            **Sec. 1.** RCW 9.46.0217 and 1987 c 4 s 6 are each amended to read as  
5 follows:

6            "Commercial stimulant," as used in this chapter, means an activity  
7 is operated as a commercial stimulant, for the purposes of this  
8 chapter, only when it is an (~~incidental~~) activity operated in  
9 connection with(~~, and incidental to,~~) an established business, with  
10 the (~~primary~~) purpose of increasing the volume of sales of food or  
11 drink for consumption on that business premises. The commission may by  
12 rule establish guidelines and criteria for applying this definition to  
13 its applicants and licensees for gambling activities authorized by this  
14 chapter as commercial stimulants.

15            **Sec. 2.** RCW 9.46.0281 and 1987 c 4 s 21 are each amended to read  
16 as follows:

17            "Social card game," as used in this chapter, means a card game,  
18 including but not limited to the game commonly known as "Mah-Jongg,"

1 which constitutes gambling and contains each of the following  
2 characteristics:

3 (1) There are two or more participants and each of them are  
4 players(~~(. However, no business with a public cardroom on its premises~~  
5 ~~may have more than five separate tables at which card games are played;~~

6 (2) A player's success at winning money or other thing of value by  
7 overcoming chance is in the long run largely determined by the skill of  
8 the player;

9 (3) No organization, corporation or person collects or obtains or  
10 charges any percentage of or collects or obtains any portion of the  
11 money or thing of value wagered or won by any of the players:  
12 PROVIDED, That this subsection shall not preclude a player from  
13 collecting or obtaining his or her winnings;

14 (4) No organization or corporation, or person collects or obtains  
15 any money or thing of value from, or charges or imposes any fee upon,  
16 any person which either enables him or her to play or results in or  
17 from his or her playing in excess of two dollars per half hour of  
18 playing time by that person collected in advance: PROVIDED, That a fee  
19 may also be charged for entry into a tournament for prizes, which fee  
20 shall not exceed fifty dollars, including all separate fees which might  
21 be paid by a player for various phases or events of the tournament:  
22 PROVIDED FURTHER, That this subsection shall not apply to the  
23 membership fee in any bona fide charitable or nonprofit organization));

24 ((+5)) (2) The type of card game is one specifically approved by  
25 the commission pursuant to RCW 9.46.070; and

26 ((+6)) (3) The extent of wagers, money or other thing of value  
27 which may be wagered or contributed by any player does not exceed the  
28 amount or value specified by the commission pursuant to RCW 9.46.070.

29 **Sec. 3.** RCW 9.46.0351 and 1987 c 4 s 34 are each amended to read  
30 as follows:

31 (1) The legislature hereby authorizes any bona fide charitable or  
32 nonprofit organization which is licensed pursuant to RCW 66.24.400, and  
33 its officers and employees, to allow the use of the premises,  
34 furnishings, and other facilities not gambling devices of such  
35 organization by members of the organization, and members of a chapter  
36 or unit organized under the same state, regional, or national charter  
37 or constitution, who engage as players in the following types of  
38 gambling activities only:

1 (a) Social card games as defined in RCW 9.46.0281 (1) (~~through~~  
2 ~~(4)~~); and

3 (b) Social dice games, which shall be limited to contests of  
4 chance, the outcome of which are determined by one or more rolls of  
5 dice.

6 (2) Bona fide charitable or nonprofit organizations shall not be  
7 required to be licensed by the commission in order to allow use of  
8 their premises in accordance with this section. However, the following  
9 conditions must be met:

10 (a) No organization, corporation, or person shall collect or obtain  
11 or charge any percentage of or shall collect or obtain any portion of  
12 the money or thing of value wagered or won by any of the players:  
13 PROVIDED, That a player may collect his or her winnings; and

14 (b) No organization, corporation, or person shall collect or obtain  
15 any money or thing of value from, or charge or impose any fee upon, any  
16 person which either enables him or her to play or results in or from  
17 his or her playing: PROVIDED, That this subsection shall not preclude  
18 collection of a membership fee which is unrelated to participation in  
19 gambling activities authorized under this section.

20 **Sec. 4.** RCW 9.46.070 and 1993 c 344 s 1 are each amended to read  
21 as follows:

22 The commission shall have the following powers and duties:

23 (1) To authorize and issue licenses for a period not to exceed one  
24 year to bona fide charitable or nonprofit organizations approved by the  
25 commission meeting the requirements of this chapter and any rules and  
26 regulations adopted pursuant thereto permitting said organizations to  
27 conduct bingo games, raffles, amusement games, and social card games,  
28 to utilize punch boards and pull-tabs in accordance with the provisions  
29 of this chapter and any rules and regulations adopted pursuant thereto  
30 and to revoke or suspend said licenses for violation of any provisions  
31 of this chapter or any rules and regulations adopted pursuant thereto:  
32 PROVIDED, That the commission shall not deny a license to an otherwise  
33 qualified applicant in an effort to limit the number of licenses to be  
34 issued: PROVIDED FURTHER, That the commission or director shall not  
35 issue, deny, suspend, or revoke any license because of considerations  
36 of race, sex, creed, color, or national origin: AND PROVIDED FURTHER,  
37 That the commission may authorize the director to temporarily issue or  
38 suspend licenses subject to final action by the commission;

1           (2) To authorize and issue licenses for a period not to exceed one  
2 year to any person, association, or organization operating a business  
3 primarily engaged in the selling of items of food or drink for  
4 consumption on the premises, approved by the commission meeting the  
5 requirements of this chapter and any rules and regulations adopted  
6 pursuant thereto permitting said person, association, or organization  
7 to utilize punch boards and pull-tabs and to conduct social card games  
8 as a commercial stimulant in accordance with the provisions of this  
9 chapter and any rules and regulations adopted pursuant thereto and to  
10 revoke or suspend said licenses for violation of any provisions of this  
11 chapter and any rules and regulations adopted pursuant thereto:  
12 PROVIDED, That the commission shall not deny a license to an otherwise  
13 qualified applicant in an effort to limit the number of licenses to be  
14 issued: PROVIDED FURTHER, That the commission may authorize the  
15 director to temporarily issue or suspend licenses subject to final  
16 action by the commission;

17           (3) To authorize and issue licenses for a period not to exceed one  
18 year to any person, association, or organization approved by the  
19 commission meeting the requirements of this chapter and meeting the  
20 requirements of any rules and regulations adopted by the commission  
21 pursuant to this chapter as now or hereafter amended, permitting said  
22 person, association, or organization to conduct or operate amusement  
23 games in such manner and at such locations as the commission may  
24 determine;

25           (4) To authorize, require, and issue, for a period not to exceed  
26 one year, such licenses as the commission may by rule provide, to any  
27 person, association, or organization to engage in the selling,  
28 distributing, or otherwise supplying or in the manufacturing of devices  
29 for use within this state for those activities authorized by this  
30 chapter;

31           (5) To establish a schedule of annual license fees for carrying on  
32 specific gambling activities upon the premises, and for such other  
33 activities as may be licensed by the commission, which fees shall  
34 provide to the commission not less than an amount of money adequate to  
35 cover all costs incurred by the commission relative to licensing under  
36 this chapter and the enforcement by the commission of the provisions of  
37 this chapter and rules and regulations adopted pursuant thereto:  
38 PROVIDED, That all licensing fees shall be submitted with an  
39 application therefor and such portion of said fee as the commission may

1 determine, based upon its cost of processing and investigation, shall  
2 be retained by the commission upon the withdrawal or denial of any such  
3 license application as its reasonable expense for processing the  
4 application and investigation into the granting thereof: PROVIDED  
5 FURTHER, That if in a particular case the basic license fee established  
6 by the commission for a particular class of license is less than the  
7 commission's actual expenses to investigate that particular  
8 application, the commission may at any time charge to that applicant  
9 such additional fees as are necessary to pay the commission for those  
10 costs. The commission may decline to proceed with its investigation  
11 and no license shall be issued until the commission has been fully paid  
12 therefor by the applicant: AND PROVIDED FURTHER, That the commission  
13 may establish fees for the furnishing by it to licensees of  
14 identification stamps to be affixed to such devices and equipment as  
15 required by the commission and for such other special services or  
16 programs required or offered by the commission, the amount of each of  
17 these fees to be not less than is adequate to offset the cost to the  
18 commission of the stamps and of administering their dispersal to  
19 licensees or the cost of administering such other special services,  
20 requirements or programs;

21 (6) To prescribe the manner and method of payment of taxes, fees  
22 and penalties to be paid to or collected by the commission;

23 (7) To require that applications for all licenses contain such  
24 information as may be required by the commission: PROVIDED, That all  
25 persons (a) having a managerial or ownership interest in any gambling  
26 activity, or the building in which any gambling activity occurs, or the  
27 equipment to be used for any gambling activity, or (b) participating as  
28 an employee in the operation of any gambling activity, shall be listed  
29 on the application for the license and the applicant shall certify on  
30 the application, under oath, that the persons named on the application  
31 are all of the persons known to have an interest in any gambling  
32 activity, building, or equipment by the person making such application:  
33 PROVIDED FURTHER, That the commission may require fingerprinting and  
34 background checks on any persons seeking licenses under this chapter or  
35 of any person holding an interest in any gambling activity, building,  
36 or equipment to be used therefor, or of any person participating as an  
37 employee in the operation of any gambling activity;

1 (8) To require that any license holder maintain records as directed  
2 by the commission and submit such reports as the commission may deem  
3 necessary;

4 (9) To require that all income from bingo games, raffles, and  
5 amusement games be recorded and reported as established by rule or  
6 regulation of the commission to the extent deemed necessary by  
7 considering the scope and character of the gambling activity in such a  
8 manner that will disclose gross income from any gambling activity,  
9 amounts received from each player, the nature and value of prizes, and  
10 the fact of distributions of such prizes to the winners thereof;

11 (10) To regulate and establish maximum limitations on income  
12 derived from bingo. In establishing limitations pursuant to this  
13 subsection the commission shall take into account (i) the nature,  
14 character, and scope of the activities of the licensee; (ii) the source  
15 of all other income of the licensee; and (iii) the percentage or extent  
16 to which income derived from bingo is used for charitable, as  
17 distinguished from nonprofit, purposes. However, the commission's  
18 powers and duties granted by this subsection are discretionary and not  
19 mandatory;

20 (11) To regulate and establish the type and scope of and manner of  
21 conducting the gambling activities authorized by this chapter,  
22 including but not limited to, the extent of wager, money, or other  
23 thing of value which may be wagered or contributed or won by a player  
24 in any such activities;

25 (12) To regulate the maximum fee allowed and the collection of and  
26 the accounting for the fee which may be imposed by an organization,  
27 corporation or person licensed to conduct a social card game on a  
28 person desiring to become a player in a social card game (~~in~~  
29 ~~accordance with RCW 9.46.0281(4))~~);

30 (13) To set a maximum number of separate tables at which card games  
31 may be played for a business with a public cardroom on its premises;

32 (14) To cooperate with and secure the cooperation of county, city,  
33 and other local or state agencies in investigating any matter within  
34 the scope of its duties and responsibilities;

35 (~~(14)~~) (15) In accordance with RCW 9.46.080, to adopt such rules  
36 and regulations as are deemed necessary to carry out the purposes and  
37 provisions of this chapter. All rules and regulations shall be adopted  
38 pursuant to the administrative procedure act, chapter 34.05 RCW;

1       (~~(15)~~) (16) To set forth for the perusal of counties, city-  
2 counties, cities and towns, model ordinances by which any legislative  
3 authority thereof may enter into the taxing of any gambling activity  
4 authorized by this chapter;

5       (~~(16)~~) (17) To establish and regulate a maximum limit on salaries  
6 or wages which may be paid to persons employed in connection with  
7 activities conducted by bona fide charitable or nonprofit organizations  
8 and authorized by this chapter, where payment of such persons is  
9 allowed, and to regulate and establish maximum limits for other  
10 expenses in connection with such authorized activities, including but  
11 not limited to rent or lease payments. However, the commissioner's  
12 powers and duties granted by this subsection are discretionary and not  
13 mandatory.

14       In establishing these maximum limits the commission shall take into  
15 account the amount of income received, or expected to be received, from  
16 the class of activities to which the limits will apply and the amount  
17 of money the games could generate for authorized charitable or  
18 nonprofit purposes absent such expenses. The commission may also take  
19 into account, in its discretion, other factors, including but not  
20 limited to, the local prevailing wage scale and whether charitable  
21 purposes are benefited by the activities;

22       (~~(17)~~) (18) To authorize, require, and issue for a period not to  
23 exceed one year such licenses or permits, for which the commission may  
24 by rule provide, to any person to work for any operator of any gambling  
25 activity authorized by this chapter in connection with that activity,  
26 or any manufacturer, supplier, or distributor of devices for those  
27 activities in connection with such business. The commission shall not  
28 require that persons working solely as volunteers in an authorized  
29 activity conducted by a bona fide charitable or bona fide nonprofit  
30 organization, who receive no compensation of any kind for any purpose  
31 from that organization, and who have no managerial or supervisory  
32 responsibility in connection with that activity, be licensed to do such  
33 work. The commission may require that licensees employing such  
34 unlicensed volunteers submit to the commission periodically a list of  
35 the names, addresses, and dates of birth of the volunteers. If any  
36 volunteer is not approved by the commission, the commission may require  
37 that the licensee not allow that person to work in connection with the  
38 licensed activity;

1       (~~(18)~~) (19) To publish and make available at the office of the  
2 commission or elsewhere to anyone requesting it a list of the  
3 commission licensees, including the name, address, type of license, and  
4 license number of each licensee;

5       (~~(19)~~) (20) To establish guidelines for determining what  
6 constitutes active membership in bona fide nonprofit or charitable  
7 organizations for the purposes of this chapter; and

8       (~~(20)~~) (21) To perform all other matters and things necessary to  
9 carry out the purposes and provisions of this chapter.

10       **Sec. 5.** RCW 9.46.198 and 1977 ex.s. c 326 s 14 are each amended to  
11 read as follows:

12       Any person who works as an employee or agent or in a similar  
13 capacity for another person in connection with the operation of an  
14 activity for which a license is required under this chapter or by  
15 commission rule without having obtained the applicable license required  
16 by the commission under RCW 9.46.070(~~(16)~~)(18) shall be guilty of a  
17 gross misdemeanor and shall, upon conviction, be punished by not more  
18 than one year in the county jail or a fine of not more than five  
19 thousand dollars, or both.

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