
HOUSE BILL 1273

State of Washington 61st Legislature 2009 Regular Session

By Representatives Condotta and Armstrong

Read first time 01/16/09. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to allowing counties, cities, and towns to conduct
2 raffles under certain terms and conditions; and amending RCW 9.46.0209.

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

4 **Sec. 1.** RCW 9.46.0209 and 2007 c 452 s 1 are each amended to read
5 as follows:

6 (1)(a) "Bona fide charitable or nonprofit organization," as used in
7 this chapter, means:

8 (i) Any organization duly existing under the provisions of chapter
9 24.12, 24.20, or 24.28 RCW, any agricultural fair authorized under the
10 provisions of chapters 15.76 or 36.37 RCW, or any nonprofit corporation
11 duly existing under the provisions of chapter 24.03 RCW for charitable,
12 benevolent, eleemosynary, educational, civic, patriotic, political,
13 social, fraternal, athletic or agricultural purposes only, or any
14 nonprofit organization, whether incorporated or otherwise, when found
15 by the commission to be organized and operating for one or more of the
16 aforesaid purposes only, all of which in the opinion of the commission
17 have been organized and are operated primarily for purposes other than
18 the operation of gambling activities authorized under this chapter; or

1 (ii) Any corporation which has been incorporated under Title 36
2 U.S.C. and whose principal purposes are to furnish volunteer aid to
3 members of the armed forces of the United States and also to carry on
4 a system of national and international relief and to apply the same in
5 mitigating the sufferings caused by pestilence, famine, fire, floods,
6 and other national calamities and to devise and carry on measures for
7 preventing the same.

8 (b) An organization defined under (a) of this subsection must:

9 (i) Have been organized and continuously operating for at least
10 twelve calendar months immediately preceding making application for any
11 license to operate a gambling activity, or the operation of any
12 gambling activity authorized by this chapter for which no license is
13 required;

14 (ii) Have not less than fifteen bona fide active members each with
15 the right to an equal vote in the election of the officers, or board
16 members, if any, who determine the policies of the organization in
17 order to receive a gambling license; and

18 (iii) Demonstrate to the commission that it has made significant
19 progress toward the accomplishment of the purposes of the organization
20 during the twelve consecutive month period preceding the date of
21 application for a license or license renewal. The fact that
22 contributions to an organization do not qualify for charitable
23 contribution deduction purposes or that the organization is not
24 otherwise exempt from payment of federal income taxes pursuant to the
25 internal revenue code of 1954, as amended, shall constitute prima facie
26 evidence that the organization is not a bona fide charitable or
27 nonprofit organization for the purposes of this section.

28 (c) Any person, association or organization which pays its
29 employees, including members, compensation other than is reasonable
30 therefor under the local prevailing wage scale shall be deemed paying
31 compensation based in part or whole upon receipts relating to gambling
32 activities authorized under this chapter and shall not be a bona fide
33 charitable or nonprofit organization for the purposes of this chapter.

34 (2) For the purposes of RCW 9.46.0315 and 9.46.110, a bona fide
35 nonprofit organization also includes:

36 (a) A credit union organized and operating under state or federal
37 law. All revenue less prizes and expenses received from raffles

1 conducted by credit unions must be devoted to purposes authorized under
2 this section for charitable and nonprofit organizations; and

3 (b) A group of executive branch state employees that:

4 (i) Has requested and received revocable approval from the agency's
5 chief executive official, or such official's designee, to conduct one
6 or more raffles in compliance with this section;

7 (ii) Conducts a raffle solely to raise funds for either the state
8 combined fund drive, created under RCW 41.04.033; an entity approved to
9 receive funds from the state combined fund drive; or a charitable or
10 benevolent entity, including but not limited to a person or family in
11 need, as determined by a majority vote of the approved group of
12 employees. No person or other entity may receive compensation in any
13 form from the group for services rendered in support of this purpose;

14 (iii) Promptly provides such information about the group's
15 receipts, expenditures, and other activities as the agency's chief
16 executive official or designee may periodically require, and otherwise
17 complies with this section and RCW 9.46.0315; and

18 (iv) Limits the participation in the raffle such that raffle
19 tickets are sold only to, and winners are determined only from, the
20 employees of the agency.

21 (3) For the purposes of RCW 9.46.0277, a bona fide nonprofit
22 organization also includes a county, city, or town, provided that all
23 revenue less prizes and expenses from raffles conducted by the county,
24 city, or town must be used for community activities or tourism
25 promotion activities.

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