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HOUSE BILL 2543

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State of Washington

54th Legislature

1996 Regular Session

By Representatives Cairnes, Sheldon, Cody, Thompson, Romero, Conway, Fuhrman, Radcliff, Chappell, Crouse, Mastin, Schoesler, Huff, Hymes, Wolfe, D. Schmidt, Morris, Grant, Kessler, Brown, Quall, Benton, Costa and Patterson

Read first time 01/12/96. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to taxation of gambling activities; and amending  
2 RCW 9.46.110.

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

4 **Sec. 1.** RCW 9.46.110 and 1994 c 301 s 2 are each amended to read  
5 as follows:

6 The legislative authority of any county, city-county, city, or  
7 town, by local law and ordinance, and in accordance with the provisions  
8 of this chapter and rules and regulations promulgated hereunder, may  
9 provide for the taxing of any gambling activity authorized by this  
10 chapter within its jurisdiction, the tax receipts to go to the county,  
11 city-county, city, or town so taxing the same: PROVIDED, That any such  
12 tax imposed by a county alone shall not apply to any gambling activity  
13 within a city or town located therein but the tax rate established by  
14 a county, if any, shall constitute the tax rate throughout the  
15 unincorporated areas of such county: PROVIDED FURTHER, That (1) punch  
16 boards and pull-tabs, chances on which shall only be sold to adults,  
17 which shall have a (~~fifty-cent~~) one dollar limit on a single chance  
18 thereon, shall be taxed on a basis which shall reflect only the gross  
19 receipts from such punch boards and pull-tabs; and (2) no punch board

1 or pull-tab may award as a prize upon a winning number or symbol being  
2 drawn the opportunity of taking a chance upon any other punch board or  
3 pull-tab; and (3) all prizes for punch boards and pull-tabs must be on  
4 display within the immediate area of the premises wherein any such  
5 punch board or pull-tab is located and upon a winning number or symbol  
6 being drawn, such prize must be immediately removed therefrom, or such  
7 omission shall be deemed a fraud for the purposes of this chapter; and  
8 (4) when any person shall win over twenty dollars in money or  
9 merchandise from any punch board or pull-tab, every licensee hereunder  
10 shall keep a public record thereof for at least ninety days thereafter  
11 containing such information as the commission shall deem necessary:  
12 AND PROVIDED FURTHER, That taxation of bingo and raffles shall never be  
13 in an amount greater than ten percent of the gross revenue received  
14 therefrom less the amount paid for or as prizes. Taxation of amusement  
15 games shall only be in an amount sufficient to pay the actual costs of  
16 enforcement of the provisions of this chapter by the county, city or  
17 town law enforcement agency and in no event shall such taxation exceed  
18 two percent of the gross revenue therefrom less the amount paid for as  
19 prizes: PROVIDED FURTHER, That no tax shall be imposed under the  
20 authority of this chapter on bingo or amusement games when such  
21 activities or any combination thereof are conducted by any bona fide  
22 charitable or nonprofit organization as defined in this chapter, which  
23 organization has no paid operating or management personnel and has  
24 gross income from bingo or amusement games, or a combination thereof,  
25 not exceeding five thousand dollars per year, less the amount paid for  
26 as prizes. No tax shall be imposed on the first ten thousand dollars  
27 of net proceeds from raffles conducted by any bona fide charitable or  
28 nonprofit organization as defined in this chapter. Taxation of punch  
29 boards and pull-tabs shall not exceed ((five)) ten percent of gross  
30 receipts, less the amount paid for taxes, nor shall taxation of social  
31 card games exceed ((twenty)) ten percent of the gross revenue from such  
32 games less the amount paid for as prizes, nor exceed ten percent of the  
33 gross revenue retained as winnings by the licensed card room operator  
34 in the event they participate as the banker pursuant to RCW 9.46.0281.

35 Taxes imposed under this chapter become a lien upon personal and  
36 real property used in the gambling activity in the same manner as  
37 provided for under RCW 84.60.010. The lien shall attach on the date

1 the tax becomes due and shall relate back and have priority against  
2 real and personal property to the same extent as ad valorem taxes.

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