

---

HOUSE BILL 2925

---

State of Washington                      54th Legislature                      1996 Regular Session

By Representatives Campbell, Sheldon and Morris

Read first time 01/26/96. Referred to Committee on Commerce & Labor.

1            AN ACT Relating to reducing the minimum number of bona fide active  
2 members of a bona fide charitable or nonprofit organization that are  
3 necessary to receive a gambling license; and amending RCW 9.46.0209.

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

5            **Sec. 1.** RCW 9.46.0209 and 1987 c 4 s 4 are each amended to read as  
6 follows:

7            "Bona fide charitable or nonprofit organization," as used in this  
8 chapter, means: (1) Any organization duly existing under the  
9 provisions of chapters 24.12, 24.20, or 24.28 RCW, any agricultural  
10 fair authorized under the provisions of chapters 15.76 or 36.37 RCW, or  
11 any nonprofit corporation duly existing under the provisions of chapter  
12 24.03 RCW for charitable, benevolent, eleemosynary, educational, civic,  
13 patriotic, political, social, fraternal, athletic or agricultural  
14 purposes only, or any nonprofit organization, whether incorporated or  
15 otherwise, when found by the commission to be organized and operating  
16 for one or more of the aforesaid purposes only, all of which in the  
17 opinion of the commission have been organized and are operated  
18 primarily for purposes other than the operation of gambling activities  
19 authorized under this chapter; or (2) any corporation which has been

1 incorporated under Title 36 U.S.C. and whose principal purposes are to  
2 furnish volunteer aid to members of the armed forces of the United  
3 States and also to carry on a system of national and international  
4 relief and to apply the same in mitigating the sufferings caused by  
5 pestilence, famine, fire, floods, and other national calamities and to  
6 devise and carry on measures for preventing the same. Such an  
7 organization must have been organized and continuously operating for at  
8 least twelve calendar months immediately preceding making application  
9 for any license to operate a gambling activity, or the operation of any  
10 gambling activity authorized by this chapter for which no license is  
11 required. It must have not less than ((fifteen)) seven bona fide  
12 active members each with the right to an equal vote in the election of  
13 the officers, or board members, if any, who determine the policies of  
14 the organization in order to receive a gambling license. An  
15 organization must demonstrate to the commission that it has made  
16 significant progress toward the accomplishment of the purposes of the  
17 organization during the twelve consecutive month period preceding the  
18 date of application for a license or license renewal. The fact that  
19 contributions to an organization do not qualify for charitable  
20 contribution deduction purposes or that the organization is not  
21 otherwise exempt from payment of federal income taxes pursuant to the  
22 internal revenue code of 1954, as amended, shall constitute prima facie  
23 evidence that the organization is not a bona fide charitable or  
24 nonprofit organization for the purposes of this section.

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

--- END ---