

# HOUSE BILL REPORT

## SSB 6557

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**As Reported By House Committee On:**  
Commerce & Labor

**Title:** An act relating to credit union raffles.

**Brief Description:** Allowing credit unions to conduct raffles.

**Sponsors:** Senate Committee on Commerce, Trade, Housing & Financial Institutions (originally sponsored by Senators Prentice, Winsley, Shin, Benton, Roach, Kohl-Welles and T. Sheldon).

**Brief History:**

**Committee Activity:**

Commerce & Labor: 2/21/00, 2/23/00 [DPA].

**Brief Summary of Substitute Bill**  
(As Amended by House Committee)

- Allows credit unions to conduct raffles for members of its organization where proceeds from raffles conducted during the calendar year do not exceed \$5,000.

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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass as amended. Signed by 6 members: Representatives Clements, Republican Co-Chair; Conway, Democratic Co-Chair; B. Chandler, Republican Vice Chair; Wood, Democratic Vice Chair; McIntire and McMorris.

**Minority Report:** Do not pass. Signed by 1 member: Representative Hurst.

**Staff:** Pam Madson (786-7166).

**Background:**

A bona fide charitable or nonprofit organization, as defined in the gambling act, may conduct raffles without obtaining a license if the gross revenue from the organization's raffles within the calendar year does not exceed \$5,000, and the tickets

are sold only to members of the organization from whom the winners are selected. A bona fide charitable and nonprofit organization is allowed other exemptions under the gambling act including exclusion from local gambling taxation on the first \$10,000 of gross receipts less prizes from raffles conducted by the organization.

A credit union is a cooperative society organized as a nonprofit corporation for the purposes of promoting thrift between its members and creating a source of credit for them at fair and reasonable rates of interest.

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**Summary of Amended Bill:**

Credit unions are considered charitable or nonprofit organizations for purposes of conducting raffles involving its membership where gross revenue for the calendar year does not exceed \$5,000. The proceeds from these raffles may only be used for those purposes authorized for charitable and nonprofit organizations under the gambling law. The proceeds are also exempt from local gambling taxation.

**Amended Bill Compared to Substitute Bill:** The amended bill limits the use of proceeds from unlicensed raffles to those purposes authorized for charitable and nonprofit organizations under the gambling law.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date of Amended Bill:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Charitable and nonprofit organizations can conduct limited raffles. Only those charitable and nonprofit organizations organized for those purposes specifically identified in the gambling law may conduct these raffles. Credit unions are nonprofit but their purpose is not one identified in the gambling law. Credit unions volunteer to raise money to help community activities. Using raffles is a less labor intensive way to raise money for these purposes and credit unions would like the authority to do it.

**Testimony Against:** None.

**Testified:** Stacey Augustine, Washington Credit Union League; and Earlene Fantz, Kitsap Community Federal Credit Union.