

SENATE BILL REPORT

SB 6339

As Reported By Senate Committee On:
Commerce, Trade, Housing & Financial Institutions, February 3, 2000

Title: An act relating to fund raising events.

Brief Description: Allowing charitable organizations to hire vendors to conduct fund raising events.

Sponsors: Senators Prentice, Honeyford, T. Sheldon, Swecker, Heavey and Bauer.

Brief History:

Committee Activity: Commerce, Trade, Housing & Financial Institutions: 2/1/2000, 2/3/2000 [DPS].

SENATE COMMITTEE ON COMMERCE, TRADE, HOUSING & FINANCIAL INSTITUTIONS

Majority Report: That Substitute Senate Bill No. 6339 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Shin, Vice Chair; Benton, Deccio, Gardner, Hale, T. Sheldon and Winsley.

Staff: Catherine Mele (786-7470)

Background: Nonprofits and charities may conduct fund raising events that include gambling activities such as bingo, casino-style games, amusement games, and raffles. Participants play these gambling activities using money. Current law limits the number of events an organization may hold each year to an extended event once a year lasting up to three days, or two one day events twice a year.

The total annual profit from fund raising events may not exceed \$10,000 for any individual organization. Organizations may join together to sponsor an event. The total profit from a joint event may not exceed \$10,000. In calculating the \$10,000 limit, an organization reduces the amount of gross wagers by the amount paid out as winnings and the cost of prizes given as winnings.

These events may only be conducted as prescribed by the gambling laws. For example, only members of the organization may participate in the management and operation of the event activities. All income, less prizes and expenses, must be devoted to the lawful purposes of the organization, and law enforcement must be notified of the time and place of the event.

Summary of Substitute Bill: A different method is established for conducting fund raising events by nonprofits or charitable organizations.

Organizations may hire a person or vendor who is licensed by the Gambling Commission to conduct a fund raising event on behalf of the organization. The person or vendor may not provide the facility for the event, but may provide equipment and the personnel to operate the equipment. The person or vendor must charge a fixed fee determined prior to the event and may not share in the proceeds of the event. All wagers at the event are made with scrip or chips that participants may redeem for merchandise prizes at the end of the event. The value of these prizes may not exceed 10 percent of the gross revenue from the event. Members and guests of the organization are the only permitted participants at the fund raising event.

Substitute Bill Compared to Original Bill: Technical changes are made.

Appropriation: None.

Fiscal Note: Requested on January 28, 2000.

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

Testimony For: This bill is needed because it adds another option to fund raising and makes prudent use of volunteers. Charities and nonprofits in Washington desperately need the money that is generated during fund raising activities. This bill will help us reach our goals to help people in our communities.

Testimony Against: This is one more expansion of gambling activities. Gambling is like a cancer surrounding our country. In our own state many local jurisdictions are struggling with the issue of gambling. Gambling is associated with increased crime and we do not want it in Washington.

Testified: Bob Higley, WA Evangelicals for Responsible Govt (con); Scott Manley, Westwood Baptist Church (con); Davor Gjurasic, Westcoast End, Wild Bills (pro); Janene Jaramillo, Seattle Candlelighters of Western Washington (pro); Rudy Garza, Pacific Arts Center (pro).