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**SUBSTITUTE SENATE BILL 5573**

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**State of Washington**

**57th Legislature**

**2001 Regular Session**

**By** Senate Committee on Labor, Commerce & Financial Institutions  
(originally sponsored by Senators Snyder and Kohl-Welles)

READ FIRST TIME 02/26/01.

1 AN ACT Relating to raffles by student groups; amending RCW  
2 9.46.110; adding a new section to chapter 9.46 RCW; and adding a new  
3 section to chapter 28A.325 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 9.46 RCW  
6 to read as follows:

7 Associated student bodies as defined by RCW 28A.325.020 and student  
8 groups organized pursuant to a local school board's policy regulating  
9 associated student bodies are considered bona fide or nonprofit  
10 organizations under this chapter for the purpose of conducting a raffle  
11 and may conduct raffles without obtaining a license from the gambling  
12 commission when:

13 (1) The raffles are held in accordance with all other requirements  
14 of this chapter, other applicable laws, rules of the gambling  
15 commission, and applicable policies of the local school district;

16 (2) Gross revenues from all the raffles, conducted by an associated  
17 student body or student group does not exceed fifteen thousand dollars  
18 per calendar year or five thousand dollars per raffle;

1 (3) Gross revenues from raffles are devoted solely for the use of  
2 the associated student body or student group. The funds must be  
3 deposited in the associated student body fund program and may not be  
4 used for a private purpose as referred to in chapter 28A.325 RCW;

5 (4) The associated student body or student group conducting the  
6 raffle maintains for one year from the date of the raffle, records that  
7 accurately show at a minimum the gross revenue from the raffle, details  
8 of the expenses of conducting the raffle, and details of the uses of  
9 the gross revenues.

10 **Sec. 2.** RCW 9.46.110 and 1999 c 221 s 1 are each amended to read  
11 as follows:

12 (1) The legislative authority of any county, city-county, city, or  
13 town, by local law and ordinance, and in accordance with the provisions  
14 of this chapter and rules adopted under this chapter, may provide for  
15 the taxing of any gambling activity authorized by this chapter within  
16 its jurisdiction, the tax receipts to go to the county, city-county,  
17 city, or town so taxing the activity. Any such tax imposed by a county  
18 alone shall not apply to any gambling activity within a city or town  
19 located in the county but the tax rate established by a county, if any,  
20 shall constitute the tax rate throughout the unincorporated areas of  
21 such county.

22 (2) The operation of punch boards and pull-tabs are subject to the  
23 following conditions:

24 (a) Chances may only be sold to adults;

25 (b) The price of a single chance may not exceed one dollar;

26 (c) No punch board or pull-tab license may award as a prize upon a  
27 winning number or symbol being drawn the opportunity of taking a chance  
28 upon any other punch board or pull-tab;

29 (d) All prizes available to be won must be described on an  
30 information flare. All merchandise prizes must be on display within  
31 the immediate area of the premises in which any such punch board or  
32 pull-tab is located. Upon a winning number or symbol being drawn, a  
33 merchandise prize must be immediately removed from the display and  
34 awarded to the winner. All references to cash or merchandise prizes,  
35 with a value over twenty dollars, must be removed immediately from the  
36 information flare when won, or such omission shall be deemed a fraud  
37 for the purposes of this chapter; and

1 (e) When any person wins money or merchandise from any punch board  
2 or pull-tab over an amount determined by the commission, every licensee  
3 shall keep a public record of the award for at least ninety days  
4 containing such information as the commission shall deem necessary.

5 (3)(a) Taxation of bingo and raffles shall never be in an amount  
6 greater than five percent of the gross receipts from a bingo game or  
7 raffle less the amount awarded as cash or merchandise prizes.

8 (b) Taxation of amusement games shall only be in an amount  
9 sufficient to pay the actual costs of enforcement of the provisions of  
10 this chapter by the county, city or town law enforcement agency and in  
11 no event shall such taxation exceed two percent of the gross receipts  
12 from the amusement game less the amount awarded as prizes.

13 (c) No tax shall be imposed under the authority of this chapter on  
14 bingo or amusement games when such activities or any combination  
15 thereof are conducted by any bona fide charitable or nonprofit  
16 organization as defined in this chapter, which organization has no paid  
17 operating or management personnel and has gross receipts from bingo or  
18 amusement games, or a combination thereof, not exceeding five thousand  
19 dollars per year, less the amount awarded as cash or merchandise  
20 prizes.

21 (d) No tax shall be imposed on the first ten thousand dollars of  
22 gross receipts less the amount awarded as cash or merchandise prizes  
23 from raffles conducted by any bona fide charitable or nonprofit  
24 organization as defined in this chapter.

25 (e) Revenue from raffles conducted by associated student bodies or  
26 student groups under section 1 of this act is exempt from taxation  
27 under this chapter.

28 (f) Taxation of punch boards and pull-tabs for bona fide charitable  
29 or nonprofit organizations is based on gross receipts from the  
30 operation of the games less the amount awarded as cash or merchandise  
31 prizes, and shall not exceed a rate of ten percent. At the option of  
32 the county, city-county, city, or town, the taxation of punch boards  
33 and pull-tabs for commercial stimulant operators may be based on gross  
34 receipts from the operation of the games, and may not exceed a rate of  
35 five percent, or may be based on gross receipts from the operation of  
36 the games less the amount awarded as cash or merchandise prizes, and  
37 may not exceed a rate of ten percent.

38 ((+f)) (g) Taxation of social card games may not exceed twenty  
39 percent of the gross revenue from such games.

1 (4) Taxes imposed under this chapter become a lien upon personal  
2 and real property used in the gambling activity in the same manner as  
3 provided for under RCW 84.60.010. The lien shall attach on the date  
4 the tax becomes due and shall relate back and have priority against  
5 real and personal property to the same extent as ad valorem taxes.

6 NEW SECTION. **Sec. 3.** A new section is added to chapter 28A.325  
7 RCW to read as follows:

8 Associated student bodies and student groups organized pursuant to  
9 a local school board's policy regulating associated student bodies may  
10 conduct raffles as permitted by section 1 of this act.

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