

HB 1599 - S AMD

By Senators Fraser, Kohl-Welles, Clements

ADOPTED 04/11/2007

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 9.46.0209 and 2000 c 233 s 1 are each amended to read
4 as follows:

5 (1)(a) "Bona fide charitable or nonprofit organization," as used in
6 this chapter, means: (~~(1)~~)

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

19 (ii) Any corporation which has been incorporated under Title 36
20 U.S.C. and whose principal purposes are to furnish volunteer aid to
21 members of the armed forces of the United States and also to carry on
22 a system of national and international relief and to apply the same in
23 mitigating the sufferings caused by pestilence, famine, fire, floods,
24 and other national calamities and to devise and carry on measures for
25 preventing the same. (~~Such~~)

26 (b) An organization defined under (a) of this subsection must:

27 (i) Have been organized and continuously operating for at least
28 twelve calendar months immediately preceding making application for any
29 license to operate a gambling activity, or the operation of any

1 gambling activity authorized by this chapter for which no license is
2 required(~~(. It must)~~);

3 (ii) Have not less than fifteen bona fide active members each with
4 the right to an equal vote in the election of the officers, or board
5 members, if any, who determine the policies of the organization in
6 order to receive a gambling license(~~(. An organization must)~~); and

7 (iii) Demonstrate to the commission that it has made significant
8 progress toward the accomplishment of the purposes of the organization
9 during the twelve consecutive month period preceding the date of
10 application for a license or license renewal. The fact that
11 contributions to an organization do not qualify for charitable
12 contribution deduction purposes or that the organization is not
13 otherwise exempt from payment of federal income taxes pursuant to the
14 internal revenue code of 1954, as amended, shall constitute prima facie
15 evidence that the organization is not a bona fide charitable or
16 nonprofit organization for the purposes of this section.

17 (c) Any person, association or organization which pays its
18 employees, including members, compensation other than is reasonable
19 therefor under the local prevailing wage scale shall be deemed paying
20 compensation based in part or whole upon receipts relating to gambling
21 activities authorized under this chapter and shall not be a bona fide
22 charitable or nonprofit organization for the purposes of this chapter.

23 (2) For the purposes of RCW 9.46.0315 and 9.46.110, a bona fide
24 nonprofit organization also includes:

25 (a) A credit union organized and operating under state or federal
26 law. All revenue less prizes and expenses received from raffles
27 conducted by credit unions must be devoted to purposes authorized under
28 this section for charitable and nonprofit organizations; and

29 (b) A group of executive branch state employees that:

30 (i) Has requested and received revocable approval from the agency's
31 chief executive official, or such official's designee, to conduct one
32 or more raffles in compliance with this section;

33 (ii) Conducts a raffle solely to raise funds for either the state
34 combined fund drive, created under RCW 41.04.033; an entity approved to
35 receive funds from the state combined fund drive; or a charitable or
36 benevolent entity, including but not limited to a person or family in
37 need, as determined by a majority vote of the approved group of

1 employees. No person or other entity may receive compensation in any
2 form from the group for services rendered in support of this purpose;
3 (iii) Promptly provides such information about the group's
4 receipts, expenditures, and other activities as the agency's chief
5 executive official or designee may periodically require, and otherwise
6 complies with this section and RCW 9.46.0315; and
7 (iv) Limits the participation in the raffle such that raffle
8 tickets are sold only to, and winners are determined only from, the
9 employees of the agency.

10 NEW SECTION. Sec. 2. A new section is added to chapter 42.52 RCW
11 to read as follows:

12 (1) When soliciting gifts, grants, or donations solely to support
13 the charitable activities of executive branch state employees conducted
14 pursuant to RCW 9.46.0209, the executive branch state officers and
15 executive branch state employees are presumed not to be in violation of
16 the solicitation and receipt of gift provisions in RCW 42.52.140.
17 However, the gifts, grants, or donations must only be solicited from
18 state employees or businesses and organizations that have no business
19 dealings with the soliciting employee's agency. For the purposes of
20 this subsection, "business dealings" includes being subject to
21 regulation by the agency, having a contractual relationship with the
22 agency, and purchasing goods or services from the agency.

23 (2) For purposes of this section, activities are deemed to be
24 charitable if the activities are devoted to the purposes authorized
25 under RCW 9.46.0209 for charitable and nonprofit organizations listed
26 in that section, or are in support of the activities of those
27 charitable or nonprofit organizations."

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28 On page 1, line 1 of the title, after "employees;" strike the
29 remainder of the title and insert "amending RCW 9.46.0209; and adding

1 a new section to chapter 42.52 RCW."

EFFECT: Limits the scope of the bill to raffles conducted by state employees who work for the executive branch. Executive branch agency employees may only solicit gifts, grants, or donations from state employees and businesses and organizations that have no business dealings with the employee's agency.

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