
SENATE BILL 5190

State of Washington

65th Legislature

2017 Regular Session

By Senators Conway, King, Keiser, Braun, and Chase; by request of Gambling Commission

Read first time 01/16/17. Referred to Committee on Commerce, Labor & Sports.

1 AN ACT Relating to the bona fide charitable or nonprofit
2 organization member requirement; and amending RCW 9.46.0209.

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

4 **Sec. 1.** RCW 9.46.0209 and 2009 c 137 s 1 are each amended to
5 read as follows:

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

8 (i) Any organization duly existing under the provisions of
9 chapter 24.12, 24.20, or 24.28 RCW, any agricultural fair authorized
10 under the provisions of chapters 15.76 or 36.37 RCW, or any nonprofit
11 corporation duly existing under the provisions of chapter 24.03 RCW
12 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
19 activities authorized under this chapter; or

20 (ii) Any corporation which has been incorporated under Title 36
21 U.S.C. and whose principal purposes are to furnish volunteer aid to

1 members of the armed forces of the United States and also to carry on
2 a system of national and international relief and to apply the same
3 in mitigating the sufferings caused by pestilence, famine, fire,
4 floods, and other national calamities and to devise and carry on
5 measures for preventing the same.

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

7 (i) Have been organized and continuously operating for at least
8 twelve calendar months immediately preceding making application for
9 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; and

12 ~~(ii) ((Have not less than fifteen bona fide active members each
13 with the right to an equal vote in the election of the officers, or
14 board members, if any, who determine the policies of the organization
15 in order to receive a gambling license; and~~

16 ~~(iii))~~) Demonstrate to the commission that it has made
17 significant progress toward the accomplishment of the purposes of the
18 organization during the twelve consecutive month period preceding the
19 date of application for a license or license renewal. The fact that
20 contributions to an organization do not qualify for charitable
21 contribution deduction purposes or that the organization is not
22 otherwise exempt from payment of federal income taxes pursuant to the
23 internal revenue code of 1954, as amended, shall constitute prima
24 facie evidence that the organization is not a bona fide charitable or
25 nonprofit organization for the purposes of this section.

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

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

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

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

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

4 (ii) Conducts a raffle solely to raise funds for either the state
5 combined fund drive, created under RCW 41.04.033; an entity approved
6 to receive funds from the state combined fund drive; or a charitable
7 or benevolent entity, including but not limited to a person or family
8 in need, as determined by a majority vote of the approved group of
9 employees. No person or other entity may receive compensation in any
10 form from the group for services rendered in support of this purpose;

11 (iii) Promptly provides such information about the group's
12 receipts, expenditures, and other activities as the agency's chief
13 executive official or designee may periodically require, and
14 otherwise complies with this section and RCW 9.46.0315; and

15 (iv) Limits the participation in the raffle such that raffle
16 tickets are sold only to, and winners are determined only from, the
17 employees of the agency.

18 (3) For the purposes of RCW 9.46.0277, a bona fide nonprofit
19 organization also includes a county, city, or town, provided that all
20 revenue less prizes and expenses from raffles conducted by the
21 county, city, or town must be used for community activities or
22 tourism promotion activities.

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