

---

**HOUSE BILL 2281**

---

**State of Washington**

**66th Legislature**

**2020 Regular Session**

**By** Representatives Kloba and Peterson; by request of Gambling Commission

Prefiled 12/27/19. Read first time 01/13/20. Referred to Committee on Commerce & Gaming.

1 AN ACT Relating to amending types of nonprofit organizations  
2 qualified to engage in gambling activities; and amending RCW  
3 9.46.0209.

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

5 **Sec. 1.** RCW 9.46.0209 and 2017 c 133 s 1 are each amended to  
6 read as follows:

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

9 (i) Any organization duly existing under the provisions of  
10 chapter 24.12, 24.20, or 24.28 RCW, any agricultural fair authorized  
11 under the provisions of chapters 15.76 or 36.37 RCW, or any nonprofit  
12 corporation duly existing under the provisions of chapter 19.09 or  
13 24.03 RCW for charitable, benevolent, eleemosynary, educational,  
14 civic, patriotic, political, religious, scientific, social,  
15 fraternal, athletic, or agricultural purposes only, or any nonprofit  
16 organization, whether incorporated or otherwise, when found by the  
17 commission to be organized and operating for one or more of the  
18 aforesaid purposes only, all of which in the opinion of the  
19 commission have been organized and are operated primarily for  
20 purposes other than the operation of gambling activities authorized  
21 under this chapter; or

1 (ii) Any corporation which has been incorporated under Title 36  
2 U.S.C. and whose principal purposes are to furnish volunteer aid to  
3 members of the armed forces of the United States and also to carry on  
4 a system of national and international relief and to apply the same  
5 in mitigating the sufferings caused by pestilence, famine, fire,  
6 floods, and other national calamities and to devise and carry on  
7 measures for preventing the same.

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

9 (i) Have been organized and continuously operating for at least  
10 twelve calendar months immediately preceding making application for  
11 any license to operate a gambling activity, or the operation of any  
12 gambling activity authorized by this chapter for which no license is  
13 required; and

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

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

31 (2) For the purposes of RCW 9.46.0315 and 9.46.110, a bona fide  
32 nonprofit organization (~~(also)~~) can be licensed by the commission and  
33 includes:

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

38 (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.

--- END ---