

HOUSE BILL REPORT

HB 3220

As Reported by House Committee On:
Commerce & Labor

Title: An act relating to allowing counties, cities, and towns to conduct raffles under certain terms and conditions.

Brief Description: Allowing counties, cities, and towns to conduct raffles under certain terms and conditions.

Sponsors: Representative Condotta.

Brief History:

Committee Activity:

Commerce & Labor: 2/1/08, 2/4/08 [DP].

Brief Summary of Bill

- Allows a county, city, or town to conduct raffles under the Gambling Act as long as the net proceeds are used for community or tourism promotion activities.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 8 members: Representatives Conway, Chair; Wood, Vice Chair; Condotta, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Crouse, Green, Moeller and Williams.

Staff: Joan Elgee (786-7106).

Background:

Washington's Gambling Act authorizes charitable and nonprofit organizations to conduct raffles to raise funds for the organizations' stated purposes. The organization must be organized for one of the purposes specified in statute which include agricultural, charitable, educational, political, fraternal, or athletic purposes, and meet other requirements.

A raffle may be conducted as a licensed or unlicensed raffle. A license is required if: (1) the gross revenue from all gambling fundraising conducted by the organization is more than \$5,000 per year; (2) tickets are sold by someone other than a member of the organization; (3)

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tickets are sold at a discount; and (4) in certain other cases. All raffles must meet certain requirements, including maintenance of records.

Credit unions and a group of executive branch state employees are considered nonprofit organizations and may conduct unlicensed raffles under certain conditions.

Summary of Bill:

A county, city, or town is considered a nonprofit organization for purposes of organizations authorized to conduct raffles and may conduct licensed or unlicensed raffles so long as the revenue, less prizes and expenses, is used for community activities or tourism promotion activities.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) East Wenatchee puts on two events a year - the Classy Chassis Show and the Wings and Wheels Festival. These events used to be funded out of the hotel/motel tax but the nonprofit events board running the shows was found ineligible. The city tried a raffle but was told a raffle was not permitted.

(Neutral) The Washington State Gambling Commission (Commission) will likely be neutral. Commission staff have heard from a couple of small cities that wanted to do raffles. One aspect to consider is that local jurisdictions would not be permitted to pay their employees if they wanted to do unlicensed raffles.

(Opposed) None.

Persons Testifying: (In support) Representative Condotta, prime sponsor.

(Neutral) Amy B. Hunter, Washington State Gambling Commission.

Persons Signed In To Testify But Not Testifying: None.