

SSB 5671 - S AMD 38

By Senator Fortunato

WITHDRAWN 03/01/2017

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

3 "Sec. 1. RCW 9.46.0321 and 1987 c 4 s 28 are each amended to
4 read as follows:

5 Bona fide charitable or bona fide nonprofit organizations
6 organized primarily for purposes other than the conduct of such
7 activities are hereby authorized to conduct bingo, raffles, and
8 amusement games, without obtaining a license to do so from the
9 commission but only when:

10 (1) Such activities are held in accordance with all other
11 requirements of this chapter, other applicable laws, and rules of the
12 commission;

13 (2) Said activities are(~~(, alone or in any combination,)~~)
14 conducted no more than four times each calendar year for raffles and
15 twice each calendar year for bingo and amusement games; and over a
16 period of no more than twelve consecutive days each time,
17 notwithstanding the limitations of RCW 9.46.0205: PROVIDED, That a
18 raffle conducted under this subsection may be conducted for a period
19 longer than twelve days;

20 (3) Only bona fide members of that organization, who are not paid
21 for such services, participate in the management or operation of the
22 activities;

23 (4) Gross revenues to the organization from (~~all the activities~~
24 ~~together~~) raffles do not exceed twenty thousand dollars during any
25 calendar year;

26 (5) Gross revenues to the organization from bingo and amusement
27 games do not exceed five thousand dollars during any calendar year;

28 (~~(+5)~~) (6) All revenue therefrom, after deducting the cost of
29 prizes and other expenses of the activity, is devoted solely to the
30 purposes for which the organization qualifies as a bona fide
31 charitable or nonprofit organization;

1 (~~(6)~~) (7) The organization gives notice at least five days in
2 advance of the conduct of any of the activities to the local police
3 agency of the jurisdiction within which the activities are to be
4 conducted of the organization's intent to conduct the activities, the
5 location of the activities, and the date or dates they will be
6 conducted; and

7 (~~(7)~~) (8) The organization conducting the activities maintains
8 records for a period of one year from the date of the event which
9 accurately show at a minimum the gross revenue from each activity,
10 details of the expenses of conducting the activities, and details of
11 the uses to which the gross revenue therefrom is put.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 9.46 RCW
13 to read as follows:

14 Bona fide charitable or bona fide nonprofit organizations
15 authorized to conduct activities under this chapter may offer raffle
16 tickets purchased as part of a multiple ticket package to be
17 purchased at a discount. The organization may offer different levels
18 of discounts based on the volume of tickets sold in the multiple
19 packages.

20 NEW SECTION. **Sec. 3.** A new section is added to chapter 9.46 RCW
21 to read as follows:

22 Bona fide charitable or bona fide nonprofit organizations
23 authorized to conduct activities under this chapter who are engaging
24 in a gambling activity where the participants select their own
25 numbered, physical item, to hold pending a random selection of
26 winning numbers, are not required to attach an individual numbered
27 ticket with the item.

28 **Sec. 4.** RCW 9.46.070 and 2012 c 116 s 1 are each amended to read
29 as follows:

30 The commission shall have the following powers and duties:

31 (1) To authorize and issue licenses for a period not to exceed
32 one year to bona fide charitable or nonprofit organizations approved
33 by the commission meeting the requirements of this chapter and any
34 rules and regulations adopted pursuant thereto permitting said
35 organizations to conduct bingo games, raffles, amusement games, and
36 social card games, to utilize punchboards and pull-tabs in accordance
37 with the provisions of this chapter and any rules and regulations

1 adopted pursuant thereto and to revoke or suspend said licenses for
2 violation of any provisions of this chapter or any rules and
3 regulations adopted pursuant thereto: PROVIDED, That the commission
4 shall not deny a license to an otherwise qualified applicant in an
5 effort to limit the number of licenses to be issued: PROVIDED
6 FURTHER, That the commission or director shall not issue, deny,
7 suspend, or revoke any license because of considerations of race,
8 sex, creed, color, or national origin: AND PROVIDED FURTHER, That the
9 commission may authorize the director to temporarily issue or suspend
10 licenses subject to final action by the commission;

11 (2) To authorize and issue licenses for a period not to exceed
12 one year to any person, association, or organization operating a
13 business primarily engaged in the selling of items of food or drink
14 for consumption on the premises, approved by the commission meeting
15 the requirements of this chapter and any rules and regulations
16 adopted pursuant thereto permitting said person, association, or
17 organization to utilize punchboards and pull-tabs and to conduct
18 social card games as a commercial stimulant in accordance with the
19 provisions of this chapter and any rules and regulations adopted
20 pursuant thereto and to revoke or suspend said licenses for violation
21 of any provisions of this chapter and any rules and regulations
22 adopted pursuant thereto: PROVIDED, That the commission shall not
23 deny a license to an otherwise qualified applicant in an effort to
24 limit the number of licenses to be issued: PROVIDED FURTHER, That the
25 commission may authorize the director to temporarily issue or suspend
26 licenses subject to final action by the commission;

27 (3) To authorize and issue licenses for a period not to exceed
28 one year to any person, association, or organization approved by the
29 commission meeting the requirements of this chapter and meeting the
30 requirements of any rules and regulations adopted by the commission
31 pursuant to this chapter as now or hereafter amended, permitting said
32 person, association, or organization to conduct or operate amusement
33 games in such manner and at such locations as the commission may
34 determine. The commission may authorize the director to temporarily
35 issue or suspend licenses subject to final action by the commission;

36 (4) To authorize, require, and issue, for a period not to exceed
37 one year, such licenses as the commission may by rule provide, to any
38 person, association, or organization to engage in the selling,
39 distributing, or otherwise supplying or in the manufacturing of
40 devices for use within this state for those activities authorized by

1 this chapter. The commission may authorize the director to
2 temporarily issue or suspend licenses subject to final action by the
3 commission;

4 (5) To establish a schedule of annual license fees for carrying
5 on specific gambling activities upon the premises, and for such other
6 activities as may be licensed by the commission, which fees shall
7 provide to the commission not less than an amount of money adequate
8 to cover all costs incurred by the commission relative to licensing
9 under this chapter and the enforcement by the commission of the
10 provisions of this chapter and rules and regulations adopted pursuant
11 thereto: PROVIDED, That all licensing fees shall be submitted with an
12 application therefor and such portion of said fee as the commission
13 may determine, based upon its cost of processing and investigation,
14 shall be retained by the commission upon the withdrawal or denial of
15 any such license application as its reasonable expense for processing
16 the application and investigation into the granting thereof: PROVIDED
17 FURTHER, That if in a particular case the basic license fee
18 established by the commission for a particular class of license is
19 less than the commission's actual expenses to investigate that
20 particular application, the commission may at any time charge to that
21 applicant such additional fees as are necessary to pay the commission
22 for those costs. The commission may decline to proceed with its
23 investigation and no license shall be issued until the commission has
24 been fully paid therefor by the applicant: AND PROVIDED FURTHER, That
25 the commission may establish fees for the furnishing by it to
26 licensees of identification stamps to be affixed to such devices and
27 equipment as required by the commission and for such other special
28 services or programs required or offered by the commission, the
29 amount of each of these fees to be not less than is adequate to
30 offset the cost to the commission of the stamps and of administering
31 their dispersal to licensees or the cost of administering such other
32 special services, requirements or programs;

33 (6) To prescribe the manner and method of payment of taxes, fees
34 and penalties to be paid to or collected by the commission;

35 (7) To require that applications for all licenses contain such
36 information as may be required by the commission: PROVIDED, That all
37 persons (a) having a managerial or ownership interest in any gambling
38 activity, or the building in which any gambling activity occurs, or
39 the equipment to be used for any gambling activity, or (b)
40 participating as an employee in the operation of any gambling

1 activity, shall be listed on the application for the license and the
2 applicant shall certify on the application, under oath, that the
3 persons named on the application are all of the persons known to have
4 an interest in any gambling activity, building, or equipment by the
5 person making such application: PROVIDED FURTHER, That the commission
6 shall require fingerprinting and national criminal history background
7 checks on any persons seeking licenses, certifications, or permits
8 under this chapter or of any person holding an interest in any
9 gambling activity, building, or equipment to be used therefor, or of
10 any person participating as an employee in the operation of any
11 gambling activity. All national criminal history background checks
12 shall be conducted using fingerprints submitted to the United States
13 department of justice-federal bureau of investigation. The commission
14 must establish rules to delineate which persons named on the
15 application are subject to national criminal history background
16 checks. In identifying these persons, the commission must take into
17 consideration the nature, character, size, and scope of the gambling
18 activities requested by the persons making such applications;

19 (8) To require that any license holder maintain records as
20 directed by the commission and submit such reports as the commission
21 may deem necessary;

22 (9) To require that all income from bingo games, raffles, and
23 amusement games be recorded and reported as established by rule or
24 regulation of the commission to the extent deemed necessary by
25 considering the scope and character of the gambling activity in such
26 a manner that will disclose gross income from any gambling activity,
27 amounts received from each player, the nature and value of prizes,
28 and the fact of distributions of such prizes to the winners thereof.
29 The commission may require a separate accounting by a bona fide
30 charitable or nonprofit organization, but may not require the
31 organizations to keep separate accounts for funds generated from
32 gambling activities;

33 (10) To regulate and establish maximum limitations on income
34 derived from bingo. In establishing limitations pursuant to this
35 subsection the commission shall take into account (a) the nature,
36 character, and scope of the activities of the licensee; (b) the
37 source of all other income of the licensee; and (c) the percentage or
38 extent to which income derived from bingo is used for charitable, as
39 distinguished from nonprofit, purposes. However, the commission's

1 powers and duties granted by this subsection are discretionary and
2 not mandatory;

3 (11) To regulate and establish the type and scope of and manner
4 of conducting the gambling activities authorized by this chapter,
5 including but not limited to, the extent of wager, money, or other
6 thing of value which may be wagered or contributed or won by a player
7 in any such activities;

8 (12) To regulate the collection of and the accounting for the fee
9 which may be imposed by an organization, corporation, or person
10 licensed to conduct a social card game on a person desiring to become
11 a player in a social card game in accordance with RCW 9.46.0282;

12 (13) To cooperate with and secure the cooperation of county,
13 city, and other local or state agencies in investigating any matter
14 within the scope of its duties and responsibilities;

15 (14) In accordance with RCW 9.46.080, to adopt such rules and
16 regulations as are deemed necessary to carry out the purposes and
17 provisions of this chapter. All rules and regulations shall be
18 adopted pursuant to the administrative procedure act, chapter 34.05
19 RCW;

20 (15) To set forth for the perusal of counties, city-counties,
21 cities and towns, model ordinances by which any legislative authority
22 thereof may enter into the taxing of any gambling activity authorized
23 by this chapter;

24 (16)(a) To establish and regulate a maximum limit on salaries or
25 wages which may be paid to persons employed in connection with
26 activities conducted by bona fide charitable or nonprofit
27 organizations and authorized by this chapter, where payment of such
28 persons is allowed, and to regulate and establish maximum limits for
29 other expenses in connection with such authorized activities,
30 including but not limited to rent or lease payments. However, the
31 commissioner's powers and duties granted by this subsection are
32 discretionary and not mandatory.

33 (b) In establishing these maximum limits the commission shall
34 take into account the amount of income received, or expected to be
35 received, from the class of activities to which the limits will apply
36 and the amount of money the games could generate for authorized
37 charitable or nonprofit purposes absent such expenses. The commission
38 may also take into account, in its discretion, other factors,
39 including but not limited to, the local prevailing wage scale and
40 whether charitable purposes are benefited by the activities;

1 (17) To authorize, require, and issue for a period not to exceed
2 one year such licenses or permits, for which the commission may by
3 rule provide, to any person to work for any operator of any gambling
4 activity authorized by this chapter in connection with that activity,
5 or any manufacturer, supplier, or distributor of devices for those
6 activities in connection with such business. The commission may
7 authorize the director to temporarily issue or suspend licenses
8 subject to final action by the commission. The commission shall not
9 require that persons working solely as volunteers in an authorized
10 activity conducted by a bona fide charitable or bona fide nonprofit
11 organization, who receive no compensation of any kind for any purpose
12 from that organization, and who have no managerial or supervisory
13 responsibility in connection with that activity, be licensed to do
14 such work. The commission may require that licensees employing such
15 unlicensed volunteers submit to the commission periodically a list of
16 the names, addresses, and dates of birth of the volunteers. If any
17 volunteer is not approved by the commission, the commission may
18 require that the licensee not allow that person to work in connection
19 with the licensed activity;

20 (18) To publish and make available at the office of the
21 commission or elsewhere to anyone requesting it a list of the
22 commission licensees, including the name, address, type of license,
23 and license number of each licensee;

24 (19) To establish guidelines for determining what constitutes
25 active membership in bona fide nonprofit or charitable organizations
26 for the purposes of this chapter;

27 (20) To renew the license of every person who applies for renewal
28 within six months after being honorably discharged, removed, or
29 released from active military service in the armed forces of the
30 United States upon payment of the renewal fee applicable to the
31 license period, if there is no cause for denial, suspension, or
32 revocation of the license;

33 (21) To issue licenses under subsections (1) through (4) of this
34 section that are valid for a period of up to eighteen months, if it
35 chooses to do so, in order to transition to the use of the business
36 licensing services program through the department of revenue; and

37 (22) To perform all other matters and things necessary to carry
38 out the purposes and provisions of this chapter."

WITHDRAWN 03/01/2017

1 On page 1, line 3 of the title, after "purposes;" strike the
2 remainder of the title and insert "amending RCW 9.46.0321 and
3 9.46.070; and adding new sections to chapter 9.46 RCW."

EFFECT: Increases the number of raffles, open to the public, that may be held from two to four per year. Adjusts the maximum annual revenue limits for unlicensed events to \$20,000 for raffles and to \$5,000 total for bingo and amusement games. Authorizes tiered levels of discounted packages for raffle tickets. Allows the gambling commission to require separate accounting for the organization's gambling activities, but may not require the use of separate bank accounts.

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