
Commerce & Gaming Committee

SB 6120

Brief Description: Amending types of nonprofit organizations qualified to engage in gambling activities.

Sponsors: Senators Conway and King; by request of Gambling Commission.

Brief Summary of Bill

- Adds religious and scientific purposes to the types of eligible purposes for an organization to be considered a bona fide charitable or nonprofit organization, authorizing otherwise eligible organizations to conduct certain gambling activities.
- Allows the Washington State Gambling Commission to license certain credit unions and groups of executive branch state employees who are conducting limited combined fund drive related raffles.

Hearing Date: 2/20/20

Staff: Kyle Raymond (786-7190).

Background:

Washington's Gambling Act authorizes a bona fide charitable or nonprofit organization to conduct certain gambling activities to raise funds for the organization's purpose. The authorized gambling activities for bona fide charitable or nonprofit organizations include bingo games, raffles, amusement games, and fundraising events. Such a bona fide charitable or nonprofit organization may also allow the use of its premises, furnishings, and other facilities by members of the organization for the playing of social card and dice games. Depending on how the activity is conducted, a license issued to the bona fide charitable or nonprofit organization by the Washington State Gambling Commission (Commission) may be required.

To be an eligible bona fide charitable or nonprofit organization, the organization must be organized for one of the following purposes specified in statute: agricultural, athletic, benevolent, charitable, civic, educational, eleemosynary, fraternal, patriotic, political, or social purposes. In

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addition, the organization must be organized and continuously operating for at least 12 calendar months immediately preceding applying for a license to operate a gambling activity or operating any gambling activity for which no license is required. The organization must also demonstrate to the Commission that the organization has made significant progress toward the accomplishment of the organization's purpose during the 12 consecutive month period preceding the date of application for a license or license renewal. The organization may not pay its employees compensation other than what is reasonable under the local prevailing wage scale.

For the purposes of conducting certain raffles without a license and taxation of certain gambling activities, a bona fide nonprofit organization also includes:

- a credit union conducting raffles where the net proceeds are devoted to charitable and other authorized purposes; and
- a group of executive branch state employees that: (1) has approval from the agency's chief executive official to conduct one or more raffles; (2) conducts a raffle solely to raise funds for either the state combined fund drive (CFD), an entity approved to receive funds from the CFD, or a charitable or benevolent entity; (3) meets information reporting requirements; and (4) limits the participation in the raffle to agency employees.

Summary of Bill:

Religious and scientific purposes are added to the types of eligible purposes for an organization to be considered a bona fide charitable or nonprofit organization. Otherwise eligible religious and scientific organizations may conduct gambling activities that charitable and nonprofit organizations are authorized to conduct under Washington's Gambling Act.

A nonprofit organization registered under the Charitable Solicitations Act is eligible to be considered a bona fide charitable or nonprofit organization.

Credit unions may be licensed by the Commission to conduct member-only raffles.

Appropriation: None.

Fiscal Note: Available.

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