

HOUSE BILL REPORT

HB 1931

*As Reported By House Committee on:
Commerce & Labor
Revenue*

Title: An act relating to limits on raffles conducted by nonprofit organizations.

Brief Description: Raising the limit on nonprofit raffles.

Sponsor(s): Representatives Brough, Grant, Brumsickle, Broback, Neher, Morris, Mielke, Cantwell, Chandler, Van Luven, D. Sommers, Holland, Wilson, Bowman, Mitchell, Ferguson, Wynne and Forner.

Brief History:

Reported by House Committee on:
Commerce & Labor, March 5, 1991, DPS;
Revenue, March 9, 1991, DPS(CL).

**HOUSE COMMITTEE ON
COMMERCE & LABOR**

Majority Report: *That Substitute House Bill No. 1931 be substituted therefor, and the substitute bill do pass.*
Signed by 11 members: Representatives Heavey, Chair; Cole, Vice Chair; Fuhrman, Ranking Minority Member; Lisk, Assistant Ranking Minority Member; Franklin; Jones; R. King; O'Brien; Prentice; Vance; and Wilson.

Staff: Jim Kelley (786-7166).

Background: Bona fide charitable or nonprofit organizations organized primarily for purposes other than the conduct of such activities are authorized to conduct bingo, raffles, and amusement games, subject to certain restrictions, without obtaining a license from the commission. The limit on gross revenues from all of the activities is \$5,000 during any calendar year.

No taxes may be imposed on charitable or nonprofit bingo games, raffles, or amusement games when the gross income from all of these games does not exceed \$5,000 per year.

Summary of Substitute Bill: Taxes may be imposed on raffles only on net receipts exceeding \$10,000 dollars.

Substitute Bill Compared to Original Bill: The provision in the original bill raising the limit on proceeds from unlicensed raffles from \$5,000 to \$10,000 is stricken.

The substitute bill allows taxes to be imposed only on the net receipts that exceed \$10,000, rather than on the entire amount of net receipts.

Fiscal Note: Available.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: Sometimes nonprofit and charitable organizations do not make much money at raffles because they bring in over \$5,000 and then have to pay a 10 percent tax. These organizations are doing good work in the community. We should encourage this kind of activity.

Testimony Against: None.

Witnesses: Representative Jean Marie Brough, Prime Sponsor; and Kenneth Brossel, Federal Way Rotary Club (in favor).

**HOUSE COMMITTEE ON
REVENUE**

Majority Report: *The substitute bill by Committee on Commerce & Labor be substituted therefor, and the substitute bill do pass.* Signed by 14 members: Representatives Wang, Chair; Fraser, Vice Chair; Holland, Ranking Minority Member; Wynne, Assistant Ranking Minority Member; Appelwick; Belcher; Brumsickle; Day; Leonard; Morris; Morton; Phillips; Rust; and Silver.

Staff: Greg Pierce (786-7102).

Summary of Recommendation of Committee on Revenue Compared to Recommendation of Committee on Commerce & Labor: No new changes were recommended.

Fiscal Note: Available.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: Same as Committee on Commerce & Labor.

Testimony Against: None.

Witnesses: Representative Brough, prime sponsor.