

SENATE BILL REPORT

SB 6504

AS OF MARCH 5, 1992

Brief Description: Regulating charitable gaming.

SPONSORS: Senators Vognild, Matson, McMullen, Sellar and Conner

SENATE COMMITTEE ON COMMERCE & LABOR

Staff: Traci Anderson (786-7452)

Hearing Dates: March 9, 1992

BACKGROUND:

Under current law, bona fide charitable or nonprofit organizations are allowed to hold fundraising events. These fundraising events or "casino nights" include such activities as: bingo, amusement games, contests of chance, lotteries and raffles.

Organizations are limited in the number of fundraising events that may be held each year. An organization may either hold one 72 consecutive hour event or two 24 consecutive hour events per calendar year.

Only bona fide members of the organizations sponsoring the event may be involved in the management or operation of the fundraising event. The income (less the amount paid for prizes and operational costs of the event) must go directly to the sponsoring organization. Current law prohibits charitable or nonprofit organizations from hiring an outside organization to manage and operate their fundraising events.

SUMMARY:

Bona fide charitable and nonprofit organizations may be licensed to hold up to four charitable gaming events per year. A charitable or nonprofit organization may utilize a licensed gaming management company to conduct the gaming events.

Organizations must apply to the Gambling Commission to be licensed to hold charitable gaming events. Upon approval of the license, the commission assigns the organization a date or dates for an event and assigns the organization to a gaming management company and gaming facility located in the congressional district where the organization resides. Organizations must provide volunteers to act as supervisors and bankers for the events. These individuals must complete training sessions prior to the event.

Charitable gaming events may include such activities as: blackjack, roulette, craps, sic-bo and other table games

authorized by the Gambling Commission. The use of electronic or mechanical facsimiles of any table game or gambling device is prohibited.

A maximum of 31 gaming stations may be operated at a charitable gaming event. A maximum of \$25 may be placed as a wager. Gaming events may not be operated between the hours of 2:00 a.m. and 12:00 p.m. A charitable gaming event may not be operated for more than three consecutive days.

The net revenue from each charitable gaming event is disbursed as follows: 10 percent is collected as a business and occupation tax with 20 percent of the tax distributed to the local enforcement agency in the jurisdiction where the gaming facility is located and the remainder deposited in the general fund; 45 percent is distributed to the licensed organization sponsoring the event; and the balance, not to exceed 45 percent, is distributed to the gaming management company.

The Gambling Commission selects gaming management companies to operate gaming facilities throughout the state. No more than two gaming facilities may be operated in each congressional district. The facility and the company operating such facility must be licensed by the Gambling Commission. Gaming management companies must submit an application and provide the appropriate information to the Gambling Commission in order to be considered for licensure.

Appropriation: none

Revenue: yes

Fiscal Note: requested March 4, 1992