
SENATE BILL 6437

State of Washington 52nd Legislature 1992 Regular Session

By Senators Moore, Amondson and Vognild

Read first time 01/30/92. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to gambling; and amending RCW 9.46.0281, 9.46.0351,
2 9.46.070, 9.46.110, and 9.46.198.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 9.46.0281 and 1987 c 4 s 21 are each amended to read
5 as follows:

6 "Social card game," as used in this chapter, means a card game,
7 including but not limited to the game commonly known as "Mah-Jongg,"
8 which constitutes gambling and contains each of the following
9 characteristics:

10 (1) There are two or more participants and each of them are
11 players(~~(. However, no business with a public cardroom on its premises~~
12 ~~may have more than five separate tables at which card games are~~
13 ~~played)):~~

1 ~~(2) A player's success at winning money or other thing of value by~~
2 ~~overcoming chance is in the long run largely determined by the skill of~~
3 ~~the player;~~

4 ~~(3) No organization, corporation or person collects or obtains or~~
5 ~~charges any percentage of or collects or obtains any portion of the~~
6 ~~money or thing of value wagered or won by any of the players:~~
7 ~~PROVIDED, That this subsection shall not preclude a player from~~
8 ~~collecting or obtaining his or her winnings;~~

9 ~~(4) ((No organization or corporation, or person collects or obtains~~
10 ~~any money or thing of value from, or charges or imposes any fee upon,~~
11 ~~any person which either enables him or her to play or results in or~~
12 ~~from his or her playing in excess of two dollars per half hour of~~
13 ~~playing time by that person collected in advance: PROVIDED, That a fee~~
14 ~~may also be charged for entry into a tournament for prizes, which fee~~
15 ~~shall not exceed fifty dollars, including all separate fees which might~~
16 ~~be paid by a player for various phases or events of the tournament:~~
17 ~~PROVIDED FURTHER, That this subsection shall not apply to the~~
18 ~~membership fee in any bona fide charitable or nonprofit organization;~~

19 ~~(5))~~ The type of card game is one specifically approved by the
20 commission pursuant to RCW 9.46.070; and

21 ~~((6))~~ (5) The extent of wagers, money or other thing of value
22 which may be wagered or contributed by any player does not exceed the
23 amount or value specified by the commission pursuant to RCW 9.46.070.

24 **Sec. 2.** RCW 9.46.0351 and 1987 c 4 s 34 are each amended to read
25 as follows:

26 (1) The legislature hereby authorizes any bona fide charitable or
27 nonprofit organization which is licensed pursuant to RCW 66.24.400, and
28 its officers and employees, to allow the use of the premises,
29 furnishings, and other facilities not gambling devices of such

1 organization by members of the organization, and members of a chapter
2 or unit organized under the same state, regional, or national charter
3 or constitution, who engage as players in the following types of
4 gambling activities only:

5 (a) Social card games as defined in RCW 9.46.0281 (1) through
6 (~~(4)~~) (3); and

7 (b) Social dice games, which shall be limited to contests of
8 chance, the outcome of which are determined by one or more rolls of
9 dice.

10 (2) Bona fide charitable or nonprofit organizations shall not be
11 required to be licensed by the commission in order to allow use of
12 their premises in accordance with this section. However, the following
13 conditions must be met:

14 (a) No organization, corporation, or person shall collect or obtain
15 or charge any percentage of or shall collect or obtain any portion of
16 the money or thing of value wagered or won by any of the players:
17 PROVIDED, That a player may collect his or her winnings; and

18 (b) No organization, corporation, or person shall collect or obtain
19 any money or thing of value from, or charge or impose any fee upon, any
20 person which either enables him or her to play or results in or from
21 his or her playing: PROVIDED, That this subsection shall not preclude
22 collection of a membership fee which is unrelated to participation in
23 gambling activities authorized under this section.

24 **Sec. 3.** RCW 9.46.070 and 1987 c 4 s 38 are each amended to read as
25 follows:

26 The commission shall have the following powers and duties:

27 (1) To authorize and issue licenses for a period not to exceed one
28 year to bona fide charitable or nonprofit organizations approved by the
29 commission meeting the requirements of this chapter and any rules and

1 regulations adopted pursuant thereto permitting said organizations to
2 conduct bingo games, raffles, amusement games, and social card games,
3 to utilize punch boards and pull-tabs in accordance with the provisions
4 of this chapter and any rules and regulations adopted pursuant thereto
5 and to revoke or suspend said licenses for violation of any provisions
6 of this chapter or any rules and regulations adopted pursuant thereto:
7 PROVIDED, That the commission shall not deny a license to an otherwise
8 qualified applicant in an effort to limit the number of licenses to be
9 issued: PROVIDED FURTHER, That the commission or director shall not
10 issue, deny, suspend or revoke any license because of considerations of
11 race, sex, creed, color, or national origin: AND PROVIDED FURTHER,
12 That the commission may authorize the director to temporarily issue or
13 suspend licenses subject to final action by the commission;

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

1 (3) To authorize and issue licenses for a period not to exceed one
2 year to any person, association, or organization approved by the
3 commission meeting the requirements of this chapter and meeting the
4 requirements of any rules and regulations adopted by the commission
5 pursuant to this chapter as now or hereafter amended, permitting said
6 person, association, or organization to conduct or operate amusement
7 games in such manner and at such locations as the commission may
8 determine;

9 (4) To authorize, require, and issue, for a period not to exceed
10 one year, such licenses as the commission may by rule provide, to any
11 person, association, or organization to engage in the selling,
12 distributing, or otherwise supplying or in the manufacturing of devices
13 for use within this state for those activities authorized by this
14 chapter;

15 (5) To establish a schedule of annual license fees for carrying on
16 specific gambling activities upon the premises, and for such other
17 activities as may be licensed by the commission, which fees shall
18 provide to the commission not less than an amount of money adequate to
19 cover all costs incurred by the commission relative to licensing under
20 this chapter and the enforcement by the commission of the provisions of
21 this chapter and rules and regulations adopted pursuant thereto:
22 PROVIDED, That all licensing fees shall be submitted with an
23 application therefor and such portion of said fee as the commission may
24 determine, based upon its cost of processing and investigation, shall
25 be retained by the commission upon the withdrawal or denial of any such
26 license application as its reasonable expense for processing the
27 application and investigation into the granting thereof: PROVIDED
28 FURTHER, That if in a particular case the basic license fee established
29 by the commission for a particular class of license is less than the
30 commission's actual expenses to investigate that particular

1 application, the commission may at any time charge to that applicant
2 such additional fees as are necessary to pay the commission for those
3 costs. The commission may decline to proceed with its investigation
4 and no license shall be issued until the commission has been fully paid
5 therefor by the applicant: AND PROVIDED FURTHER, That the commission
6 may establish fees for the furnishing by it to licensees of
7 identification stamps to be affixed to such devices and equipment as
8 required by the commission and for such other special services or
9 programs required or offered by the commission, the amount of each of
10 these fees to be not less than is adequate to offset the cost to the
11 commission of the stamps and of administering their dispersal to
12 licensees or the cost of administering such other special services,
13 requirements or programs;

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

16 (7) To require that applications for all licenses contain such
17 information as may be required by the commission: PROVIDED, That all
18 persons (a) having a managerial or ownership interest in any gambling
19 activity, or the building in which any gambling activity occurs, or the
20 equipment to be used for any gambling activity, or (b) participating as
21 an employee in the operation of any gambling activity, shall be listed
22 on the application for the license and the applicant shall certify on
23 the application, under oath, that the persons named on the application
24 are all of the persons known to have an interest in any gambling
25 activity, building, or equipment by the person making such application:
26 PROVIDED FURTHER, That the commission may require fingerprinting and
27 background checks on any persons seeking licenses under this chapter or
28 of any person holding an interest in any gambling activity, building,
29 or equipment to be used therefor, or of any person participating as an
30 employee in the operation of any gambling activity;

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

4 (9) To require that all income from bingo games, raffles, and
5 amusement games be recorded and reported as established by rule or
6 regulation of the commission to the extent deemed necessary by
7 considering the scope and character of the gambling activity in such a
8 manner that will disclose gross income from any gambling activity,
9 amounts received from each player, the nature and value of prizes, and
10 the fact of distributions of such prizes to the winners thereof;

11 (10) To regulate and establish maximum limitations on income
12 derived from bingo: PROVIDED, That in establishing limitations
13 pursuant to this subsection the commission shall take into account (i)
14 the nature, character, and scope of the activities of the licensee;
15 (ii) the source of all other income of the licensee; and (iii) the
16 percentage or extent to which income derived from bingo is used for
17 charitable, as distinguished from nonprofit, purposes;

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

23 (12) To regulate the maximum fee allowed and the collection of and
24 the accounting for the fee which may be imposed by an organization,
25 corporation or person licensed to conduct a social card game on a
26 person desiring to become a player in a social card game ((in
27 accordance with RCW 9.46.0281(4))));

28 (13) To regulate the type of social card games allowed under this
29 chapter;

1 (14) To set a maximum number of separate tables at which card games
2 may be played for a business with a public cardroom on its premises;

3 (15) To set maximum prices for pull-tabs and punch boards;

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

7 ~~((14))~~ (17) In accordance with RCW 9.46.080, to adopt such rules
8 and regulations as are deemed necessary to carry out the purposes and
9 provisions of this chapter. All rules and regulations shall be adopted
10 pursuant to the administrative procedure act, chapter 34.05 RCW;

11 ~~((15))~~ (18) To set forth for the perusal of counties, city-
12 counties, cities and towns, model ordinances by which any legislative
13 authority thereof may enter into the taxing of any gambling activity
14 authorized by this chapter;

15 ~~((16))~~ (19) To establish and regulate a maximum limit on salaries
16 or wages which may be paid to persons employed in connection with
17 activities conducted by bona fide charitable or nonprofit organizations
18 and authorized by this chapter, where payment of such persons is
19 allowed, and to regulate and establish maximum limits for other
20 expenses in connection with such authorized activities, including but
21 not limited to rent or lease payments.

22 In establishing these maximum limits the commission shall take into
23 account the amount of income received, or expected to be received, from
24 the class of activities to which the limits will apply and the amount
25 of money the games could generate for authorized charitable or
26 nonprofit purposes absent such expenses. The commission may also take
27 into account, in its discretion, other factors, including but not
28 limited to, the local prevailing wage scale and whether charitable
29 purposes are benefited by the activities;

1 (~~(17)~~) (20) To authorize, require, and issue for a period not to
2 exceed one year such licenses or permits, for which the commission may
3 by 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 shall not
7 require that persons working solely as volunteers in an authorized
8 activity conducted by a bona fide charitable or bona fide nonprofit
9 organization, who receive no compensation of any kind for any purpose
10 from that organization, and who have no managerial or supervisory
11 responsibility in connection with that activity, be licensed to do such
12 work. The commission may require that licensees employing such
13 unlicensed volunteers submit to the commission periodically a list of
14 the names, addresses, and dates of birth of the volunteers. If any
15 volunteer is not approved by the commission, the commission may require
16 that the licensee not allow that person to work in connection with the
17 licensed activity;

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

22 (~~(19)~~) (22) To establish guidelines for determining what
23 constitutes active membership in bona fide nonprofit or charitable
24 organizations for the purposes of this chapter; and

25 (~~(20)~~) (23) To perform all other matters and things necessary to
26 carry out the purposes and provisions of this chapter.

27 **Sec. 4.** RCW 9.46.110 and 1991 c 161 s 1 are each amended to read
28 as follows:

1 The legislative authority of any county, city-county, city, or
2 town, by local law and ordinance, and in accordance with the provisions
3 of this chapter and rules and regulations promulgated hereunder, may
4 provide for the taxing of any gambling activity authorized by this
5 chapter within its jurisdiction, the tax receipts to go to the county,
6 city-county, city, or town so taxing the same: PROVIDED, That any such
7 tax imposed by a county alone shall not apply to any gambling activity
8 within a city or town located therein but the tax rate established by
9 a county, if any, shall constitute the tax rate throughout the
10 unincorporated areas of such county: PROVIDED FURTHER, That (1) punch
11 boards and pull-tabs, chances on which shall only be sold to adults,
12 (~~which shall have a fifty cent limit on a single chance thereon,~~)
13 shall be taxed on a basis which shall reflect only the gross receipts
14 from such punch boards and pull-tabs; and (2) no punch board or pull-
15 tab may award as a prize upon a winning number or symbol being drawn
16 the opportunity of taking a chance upon any other punch board or pull-
17 tab; and (3) all prizes for punch boards and pull-tabs must be on
18 display within the immediate area of the premises wherein any such
19 punch board or pull-tab is located and upon a winning number or symbol
20 being drawn, such prize must be immediately removed therefrom, or such
21 omission shall be deemed a fraud for the purposes of this chapter; and
22 (4) when any person shall win over twenty dollars in money or
23 merchandise from any punch board or pull-tab, every licensee hereunder
24 shall keep a public record thereof for at least ninety days thereafter
25 containing such information as the commission shall deem necessary:
26 AND PROVIDED FURTHER, That taxation of bingo and raffles shall never be
27 in an amount greater than ten percent of the gross revenue received
28 therefrom less the amount paid for or as prizes. Taxation of amusement
29 games shall only be in an amount sufficient to pay the actual costs of
30 enforcement of the provisions of this chapter by the county, city or

1 town law enforcement agency and in no event shall such taxation exceed
2 two percent of the gross revenue therefrom less the amount paid for as
3 prizes: PROVIDED FURTHER, That no tax shall be imposed under the
4 authority of this chapter on bingo or amusement games when such
5 activities or any combination thereof are conducted by any bona fide
6 charitable or nonprofit organization as defined in this chapter, which
7 organization has no paid operating or management personnel and has
8 gross income from bingo or amusement games, or a combination thereof,
9 not exceeding five thousand dollars per year, less the amount paid for
10 as prizes. No tax shall be imposed on the first ten thousand dollars
11 of net proceeds from raffles conducted by any bona fide charitable or
12 nonprofit organization as defined in this chapter. Taxation of punch
13 boards and pull-tabs shall not exceed five percent of gross receipts,
14 nor shall taxation of social card games exceed twenty percent of the
15 gross revenue from such games.

16 **Sec. 5.** RCW 9.46.198 and 1977 ex.s. c 326 s 14 are each amended to
17 read as follows:

18 Any person who works as an employee or agent or in a similar
19 capacity for another person in connection with the operation of an
20 activity for which a license is required under this chapter or by
21 commission rule without having obtained the applicable license required
22 by the commission under RCW 9.46.070(~~(+16+)~~) (20) shall be guilty of a
23 gross misdemeanor and shall, upon conviction, be punished by not more
24 than one year in the county jail or a fine of not more than five
25 thousand dollars, or both.