
SUBSTITUTE SENATE BILL 6359

State of Washington

53rd Legislature

1994 Regular Session

By Senate Committee on Labor & Commerce (originally sponsored by Senators Erwin, Moore, Snyder, Winsley and McAuliffe)

Read first time 02/03/94.

1 AN ACT Relating to allowing raffles that benefit bona fide
2 charitable or nonprofit organizations; and amending RCW 9.46.0277,
3 9.46.0315, and 9.46.070.

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

5 **Sec. 1.** RCW 9.46.0277 and 1987 c 4 s 20 are each amended to read
6 as follows:

7 "Raffle," as used in this chapter, means a game in which tickets
8 bearing an individual number are sold for not more than five dollars
9 each and in which a prize or prizes are awarded on the basis of a
10 drawing from the tickets by the person or persons conducting the
11 game(~~(, when)~~). Except as provided in RCW 9.46.0315(2), the game
12 ((is)) must be conducted by a bona fide charitable or nonprofit
13 organization, and no person other than a bona fide member of the
14 organization takes any part in the management or operation of the
15 game(~~(, and)~~). No part of the proceeds ((thereof)) from a raffle may
16 inure to the benefit of any person other than ((the)) a bona fide
17 charitable or nonprofit organization ((conducting the game)).

1 **Sec. 2.** RCW 9.46.0315 and 1991 c 192 s 4 are each amended to read
2 as follows:

3 (1) Bona fide charitable or bona fide nonprofit organizations
4 organized primarily for purposes other than the conduct of raffles, are
5 hereby authorized to conduct raffles without obtaining a license to do
6 so from the commission when such raffles are held in accordance with
7 all other requirements of this chapter, other applicable laws, and
8 rules of the commission; when gross revenues from all such raffles held
9 by the organization during the calendar year do not exceed five
10 thousand dollars; and when tickets to such raffles are sold only to,
11 and winners are determined only from among, the regular members of the
12 organization conducting the raffle. The organization may provide
13 unopened containers of beverages containing alcohol as raffle prizes if
14 the appropriate permit has been obtained from the liquor control board:
15 PROVIDED, That the term members for this purpose shall mean only those
16 persons who have become members prior to the commencement of the raffle
17 and whose qualification for membership was not dependent upon, or in
18 any way related to, the purchase of a ticket, or tickets, for such
19 raffles.

20 (2) Individuals desiring to operate a raffle for the benefit of one
21 or more bona fide charitable or bona fide nonprofit organizations of
22 which they are not members may do so by obtaining a permit from the
23 commission to operate the raffle not more than once every calendar year
24 if the bona fide charitable or bona fide nonprofit organization that
25 will benefit from the raffle provides a letter to the commission
26 accepting responsibility for the receipt and expenditure of the raffle
27 proceeds in a manner consistent with RCW 9.46.0321(5) and other
28 applicable laws and rules of the commission. Also, a bona fide
29 charitable or bona fide nonprofit organization may not benefit from the
30 operation of the raffles more than once in a calendar year, and gross
31 revenues from the raffle may not exceed five thousand dollars in a
32 calendar year. Tickets for the raffles may be sold to the public at
33 large if the raffle tickets have printed on the face of the tickets the
34 permit number issued by the commission. Individuals desiring to
35 operate the raffles must submit an application and pay a permit fee
36 established by the commission. All proceeds from raffles operated
37 under this subsection shall benefit a bona fide charitable or bona fide
38 nonprofit organization as defined under RCW 9.46.0209. The commission
39 has broad authority to deny the issuance of the permits to any person.

1 The commission may require appropriate recordkeeping procedures to
2 guarantee the proper receipt and use of funds received from raffles
3 allowed under this subsection.

4 **Sec. 3.** RCW 9.46.070 and 1993 c 344 s 1 are each amended to read
5 as follows:

6 The commission shall have the following powers and duties:

7 (1) To authorize and issue licenses for a period not to exceed one
8 year to bona fide charitable or nonprofit organizations approved by the
9 commission meeting the requirements of this chapter and any rules and
10 regulations adopted pursuant thereto permitting said organizations to
11 conduct bingo games, raffles, amusement games, and social card games,
12 to utilize punch boards and pull-tabs in accordance with the provisions
13 of this chapter and any rules and regulations adopted pursuant thereto
14 and to revoke or suspend said licenses for violation of any provisions
15 of this chapter or any rules and regulations adopted pursuant thereto:
16 PROVIDED, That the commission shall not deny a license to an otherwise
17 qualified applicant in an effort to limit the number of licenses to be
18 issued: PROVIDED FURTHER, That the commission or director shall not
19 issue, deny, suspend, or revoke any license because of considerations
20 of race, sex, creed, color, or national origin: AND PROVIDED FURTHER,
21 That the commission may authorize the director to temporarily issue or
22 suspend licenses subject to final action by the commission;

23 (2) To authorize and issue licenses for a period not to exceed one
24 year to any person, association, or organization operating a business
25 primarily engaged in the selling of items of food or drink for
26 consumption on the premises, approved by the commission meeting the
27 requirements of this chapter and any rules and regulations adopted
28 pursuant thereto permitting said person, association, or organization
29 to utilize punch boards and pull-tabs and to conduct social card games
30 as a commercial stimulant in accordance with the provisions of this
31 chapter and any rules and regulations adopted pursuant thereto and to
32 revoke or suspend said licenses for violation of any provisions of this
33 chapter and any rules and regulations adopted pursuant thereto:
34 PROVIDED, That the commission shall not deny a license to an otherwise
35 qualified applicant in an effort to limit the number of licenses to be
36 issued: PROVIDED FURTHER, That the commission may authorize the
37 director to temporarily issue or suspend licenses subject to final
38 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
31 application, the commission may at any time charge to that applicant
32 such additional fees as are necessary to pay the commission for those
33 costs. The commission may decline to proceed with its investigation
34 and no license shall be issued until the commission has been fully paid
35 therefor by the applicant: AND PROVIDED FURTHER, That the commission
36 may establish fees for the furnishing by it to licensees of
37 identification stamps to be affixed to such devices and equipment as
38 required by the commission and for such other special services or
39 programs required or offered by the commission, the amount of each of

1 these fees to be not less than is adequate to offset the cost to the
2 commission of the stamps and of administering their dispersal to
3 licensees or the cost of administering such other special services,
4 requirements or programs;

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

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

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

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

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

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

3 (11) To regulate and establish the type and scope of and manner of
4 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 licensed
10 to conduct a social card game on a person desiring to become a player
11 in a social card game in accordance with RCW 9.46.0281(4);

12 (13) To cooperate with and secure the cooperation of county, city,
13 and other local or state agencies in investigating any matter within
14 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 adopted
18 pursuant to the administrative procedure act, chapter 34.05 RCW;

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

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

31 In establishing these maximum limits the commission shall take into
32 account the amount of income received, or expected to be received, from
33 the class of activities to which the limits will apply and the amount
34 of money the games could generate for authorized charitable or
35 nonprofit purposes absent such expenses. The commission may also take
36 into account, in its discretion, other factors, including but not
37 limited to, the local prevailing wage scale and whether charitable
38 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 rule
3 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) To publish and make available at the office of the commission
19 or elsewhere to anyone requesting it a list of the commission
20 licensees, including the name, address, type of license, and license
21 number of each licensee;

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

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

27 (21) To issue permits as allowed under RCW 9.46.0315(2).

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