
HOUSE BILL 1904

State of Washington

56th Legislature

1999 Regular Session

By Representatives Lovick, Dunn, Sullivan, McIntire, Santos, Linville,
Conway, Doumit, Wood and Grant

Read first time 02/10/1999. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to taxation of bingo and raffles; amending RCW
2 9.46.110; and creating a new section.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that bingo was
5 originally reserved for nonprofit organizations, organized under
6 section 501(c)(3) of the federal tax code, to support community-based
7 services. The legislature further finds that tribal games have greatly
8 reduced the income of the nonprofit organizations in most areas of the
9 state. The legislature further finds that such reductions result in
10 lost revenues of twenty-five to eighty percent or more thereby reducing
11 services to children, families, and communities. The legislature
12 further finds that the ten-percent tax on gross revenue has often
13 translated into payments to counties and cities when the nonprofit
14 organization has actually experienced a loss.

15 The legislature finds that it is necessary to reaffirm its support
16 of community-based services that are supported through bingo games
17 operated by nonprofit organizations.

1 **Sec. 2.** RCW 9.46.110 and 1997 c 394 s 4 are each amended to read
2 as follows:

3 (1) The legislative authority of any county, city-county, city, or
4 town, by local law and ordinance, and in accordance with the provisions
5 of this chapter and rules adopted under this chapter, may provide for
6 the taxing of any gambling activity authorized by this chapter within
7 its jurisdiction, the tax receipts to go to the county, city-county,
8 city, or town so taxing the activity. Any such tax imposed by a county
9 alone shall not apply to any gambling activity within a city or town
10 located in the county but the tax rate established by a county, if any,
11 shall constitute the tax rate throughout the unincorporated areas of
12 such county.

13 (2) The operation of punch boards and pull-tabs are subject to the
14 following conditions:

15 (a) Chances may only be sold to adults;

16 (b) The price of a single chance may not exceed one dollar;

17 (c) No punch board or pull-tab license may award as a prize upon a
18 winning number or symbol being drawn the opportunity of taking a chance
19 upon any other punch board or pull-tab;

20 (d) All prizes available to be won must be described on an
21 information flare. All merchandise prizes must be on display within
22 the immediate area of the premises in which any such punch board or
23 pull-tab is located. Upon a winning number or symbol being drawn, a
24 merchandise prize must be immediately removed from the display and
25 awarded to the winner. All references to cash or merchandise prizes,
26 with a value over twenty dollars, must be removed immediately from the
27 information flare when won, or such omission shall be deemed a fraud
28 for the purposes of this chapter; and

29 (e) When any person wins money or merchandise from any punch board
30 or pull-tab over an amount determined by the commission, every licensee
31 shall keep a public record of the award for at least ninety days
32 containing such information as the commission shall deem necessary.

33 (3)(a) Taxation of bingo and raffles shall never be in an amount
34 greater than ten percent of the (~~gross receipts~~) net profit from a
35 bingo game or raffle (~~less the amount awarded as cash or merchandise~~
36 ~~prizes~~)).

37 (b) Taxation of amusement games shall only be in an amount
38 sufficient to pay the actual costs of enforcement of the provisions of
39 this chapter by the county, city or town law enforcement agency and in

1 no event shall such taxation exceed two percent of the gross receipts
2 from the amusement game less the amount awarded as prizes.

3 (c) No tax shall be imposed under the authority of this chapter on
4 bingo or amusement games when such activities or any combination
5 thereof are conducted by any bona fide charitable or nonprofit
6 organization as defined in this chapter, which organization has no paid
7 operating or management personnel and has gross receipts from bingo or
8 amusement games, or a combination thereof, not exceeding five thousand
9 dollars per year, less the amount awarded as cash or merchandise
10 prizes.

11 (d) No tax shall be imposed on the first ten thousand dollars of
12 gross receipts less the amount awarded as cash or merchandise prizes
13 from raffles conducted by any bona fide charitable or nonprofit
14 organization as defined in this chapter.

15 (e) Taxation of punch boards and pull-tabs for bona fide charitable
16 or nonprofit organizations is based on gross receipts from the
17 operation of the games less the amount awarded as cash or merchandise
18 prizes, and shall not exceed a rate of ten percent. At the option of
19 the county, city-county, city, or town, the taxation of punch boards
20 and pull-tabs for commercial stimulant operators may be based on gross
21 receipts from the operation of the games, and may not exceed a rate of
22 five percent, or may be based on gross receipts from the operation of
23 the games less the amount awarded as cash or merchandise prizes, and
24 may not exceed a rate of ten percent.

25 (f) Taxation of social card games may not exceed twenty percent of
26 the gross revenue from such games.

27 (4) Taxes imposed under this chapter become a lien upon personal
28 and real property used in the gambling activity in the same manner as
29 provided for under RCW 84.60.010. The lien shall attach on the date
30 the tax becomes due and shall relate back and have priority against
31 real and personal property to the same extent as ad valorem taxes.

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