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SENATE BILL 6889

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State of Washington

59th Legislature

2006 Regular Session

By Senators Honeyford, Deccio, Schoesler and Pridemore

Read first time 02/06/2006. Referred to Committee on Government Operations & Elections.

1 AN ACT Relating to taxation of punch boards and pull-tabs; and  
2 amending RCW 9.46.110.

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

4 **Sec. 1.** RCW 9.46.110 and 1999 c 221 s 1 are each amended to read  
5 as follows:

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

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

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

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

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

4 (d) All prizes available to be won must be described on an  
5 information flare. All merchandise prizes must be on display within  
6 the immediate area of the premises in which any such punch board or  
7 pull-tab is located. Upon a winning number or symbol being drawn, a  
8 merchandise prize must be immediately removed from the display and  
9 awarded to the winner. All references to cash or merchandise prizes,  
10 with a value over twenty dollars, must be removed immediately from the  
11 information flare when won, or such omission shall be deemed a fraud  
12 for the purposes of this chapter; and

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

17 (3)(a) Taxation of bingo and raffles shall never be in an amount  
18 greater than five percent of the gross receipts from a bingo game or  
19 raffle less the amount awarded as cash or merchandise prizes.

20 (b) Taxation of amusement games shall only be in an amount  
21 sufficient to pay the actual costs of enforcement of the provisions of  
22 this chapter by the county, city or town law enforcement agency and in  
23 no event shall such taxation exceed two percent of the gross receipts  
24 from the amusement game less the amount awarded as prizes.

25 (c) No tax shall be imposed under the authority of this chapter on  
26 bingo or amusement games when such activities or any combination  
27 thereof are conducted by any bona fide charitable or nonprofit  
28 organization as defined in this chapter, which organization has no paid  
29 operating or management personnel and has gross receipts from bingo or  
30 amusement games, or a combination thereof, not exceeding five thousand  
31 dollars per year, less the amount awarded as cash or merchandise  
32 prizes.

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

37 (e) Taxation of punch boards and pull-tabs for bona fide charitable  
38 or nonprofit organizations is based on gross receipts from the

1 operation of the games less the amount awarded as cash or merchandise  
2 prizes, and shall not exceed a rate of (~~ten~~) five percent. At the  
3 option of the county, city-county, city, or town, the taxation of punch  
4 boards and pull-tabs for commercial stimulant operators may be based on  
5 gross receipts from the operation of the games, and may not exceed a  
6 rate of five percent, or may be based on gross receipts from the  
7 operation of the games less the amount awarded as cash or merchandise  
8 prizes, and may not exceed a rate of ten percent. At the option of the  
9 county, city-county, city, or town, the taxation of punch boards and  
10 pull-tabs for commercial stimulant operators may be based on the gross  
11 receipts from the operation of the games, and may not exceed a rate of  
12 two and one-half percent, or may be based on gross receipts from the  
13 operation of the games less the amount awarded as cash or merchandise  
14 prizes, and may not exceed a rate of five percent.

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

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

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