

CERTIFICATION OF ENROLLMENT

**HOUSE BILL 1274**

Chapter 133, Laws of 2017

65th Legislature  
2017 Regular Session

GAMBLING--CHARITABLE AND NONPROFIT ORGANIZATIONS--MEMBER REQUIREMENTS

EFFECTIVE DATE: 7/23/2017

Passed by the House February 27, 2017  
Yeas 96 Nays 0

FRANK CHOPP

**Speaker of the House of Representatives**

Passed by the Senate April 11, 2017  
Yeas 49 Nays 0

CYRUS HABIB

**President of the Senate**

Approved April 27, 2017 10:41 AM

JAY INSLEE

**Governor of the State of Washington**

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1274** as passed by House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

**Chief Clerk**

FILED

April 27, 2017

**Secretary of State  
State of Washington**

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HOUSE BILL 1274

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Passed Legislature - 2017 Regular Session

State of Washington

65th Legislature

2017 Regular Session

By Representatives Sawyer, Vick, Condotta, Kloba, and Ryu; by request of Gambling Commission

Read first time 01/16/17. Referred to Committee on Commerce & Gaming.

1 AN ACT Relating to the bona fide charitable or nonprofit  
2 organization member requirement; and amending RCW 9.46.0209.

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

4 **Sec. 1.** RCW 9.46.0209 and 2009 c 137 s 1 are each amended to  
5 read as follows:

6 (1)(a) "Bona fide charitable or nonprofit organization," as used  
7 in this chapter, means:

8 (i) Any organization duly existing under the provisions of  
9 chapter 24.12, 24.20, or 24.28 RCW, any agricultural fair authorized  
10 under the provisions of chapters 15.76 or 36.37 RCW, or any nonprofit  
11 corporation duly existing under the provisions of chapter 24.03 RCW  
12 for charitable, benevolent, eleemosynary, educational, civic,  
13 patriotic, political, social, fraternal, athletic or agricultural  
14 purposes only, or any nonprofit organization, whether incorporated or  
15 otherwise, when found by the commission to be organized and operating  
16 for one or more of the aforesaid purposes only, all of which in the  
17 opinion of the commission have been organized and are operated  
18 primarily for purposes other than the operation of gambling  
19 activities authorized under this chapter; or

20 (ii) Any corporation which has been incorporated under Title 36  
21 U.S.C. and whose principal purposes are to furnish volunteer aid to

1 members of the armed forces of the United States and also to carry on  
2 a system of national and international relief and to apply the same  
3 in mitigating the sufferings caused by pestilence, famine, fire,  
4 floods, and other national calamities and to devise and carry on  
5 measures for preventing the same.

6 (b) An organization defined under (a) of this subsection must:

7 (i) Have been organized and continuously operating for at least  
8 twelve calendar months immediately preceding making application for  
9 any license to operate a gambling activity, or the operation of any  
10 gambling activity authorized by this chapter for which no license is  
11 required; and

12 ~~(ii) ((Have not less than fifteen bona fide active members each  
13 with the right to an equal vote in the election of the officers, or  
14 board members, if any, who determine the policies of the organization  
15 in order to receive a gambling license; and~~

16 ~~(iii))~~) Demonstrate to the commission that it has made  
17 significant progress toward the accomplishment of the purposes of the  
18 organization during the twelve consecutive month period preceding the  
19 date of application for a license or license renewal. The fact that  
20 contributions to an organization do not qualify for charitable  
21 contribution deduction purposes or that the organization is not  
22 otherwise exempt from payment of federal income taxes pursuant to the  
23 internal revenue code of 1954, as amended, shall constitute prima  
24 facie evidence that the organization is not a bona fide charitable or  
25 nonprofit organization for the purposes of this section.

26 (c) Any person, association or organization which pays its  
27 employees, including members, compensation other than is reasonable  
28 therefor under the local prevailing wage scale shall be deemed paying  
29 compensation based in part or whole upon receipts relating to  
30 gambling activities authorized under this chapter and shall not be a  
31 bona fide charitable or nonprofit organization for the purposes of  
32 this chapter.

33 (2) For the purposes of RCW 9.46.0315 and 9.46.110, a bona fide  
34 nonprofit organization also includes:

35 (a) A credit union organized and operating under state or federal  
36 law. All revenue less prizes and expenses received from raffles  
37 conducted by credit unions must be devoted to purposes authorized  
38 under this section for charitable and nonprofit organizations; and

39 (b) A group of executive branch state employees that:

1 (i) Has requested and received revocable approval from the  
2 agency's chief executive official, or such official's designee, to  
3 conduct one or more raffles in compliance with this section;

4 (ii) Conducts a raffle solely to raise funds for either the state  
5 combined fund drive, created under RCW 41.04.033; an entity approved  
6 to receive funds from the state combined fund drive; or a charitable  
7 or benevolent entity, including but not limited to a person or family  
8 in need, as determined by a majority vote of the approved group of  
9 employees. No person or other entity may receive compensation in any  
10 form from the group for services rendered in support of this purpose;

11 (iii) Promptly provides such information about the group's  
12 receipts, expenditures, and other activities as the agency's chief  
13 executive official or designee may periodically require, and  
14 otherwise complies with this section and RCW 9.46.0315; and

15 (iv) Limits the participation in the raffle such that raffle  
16 tickets are sold only to, and winners are determined only from, the  
17 employees of the agency.

18 (3) For the purposes of RCW 9.46.0277, a bona fide nonprofit  
19 organization also includes a county, city, or town, provided that all  
20 revenue less prizes and expenses from raffles conducted by the  
21 county, city, or town must be used for community activities or  
22 tourism promotion activities.

Passed by the House February 27, 2017.

Passed by the Senate April 11, 2017.

Approved by the Governor April 27, 2017.

Filed in Office of Secretary of State April 27, 2017.

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