

HOUSE BILL REPORT

HB 2025

As Reported by House Committee On:
Commerce & Gaming

Title: An act relating to amending types of nonprofit organizations qualified to engage in certain bingo gambling activities and changes to the number of occurrences for unlicensed bingo activities.

Brief Description: Amending types of nonprofit organizations qualified to engage in certain bingo gambling activities and changes to the number of occurrences for unlicensed bingo activities.

Sponsors: Representative Chambers; by request of Gambling Commission.

Brief History:

Committee Activity:

Commerce & Gaming: 1/27/22, 2/3/22 [DPS].

Brief Summary of Substitute Bill

- Changes the definition of "bona fide charitable or nonprofit organization" to include a county, city, or town community center or a nonprofit senior housing organization for the purposes of conducting bingo games.

HOUSE COMMITTEE ON COMMERCE & GAMING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Kloba, Chair; Wicks, Vice Chair; MacEwen, Ranking Minority Member; Robertson, Assistant Ranking Minority Member; Chambers, Kirby, Vick and Wylie.

Minority Report: Do not pass. Signed by 1 member: Representative Morgan.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Staff: Matt Sterling (786-7289).

Background:

Charitable or Nonprofit Organization.

Generally, bona fide charitable or nonprofit organizations are authorized to conduct bingo games, raffles, amusement games, and fundraising events, and to be used by members and guests to play social card games authorized by the Washington State Gambling Commission (Commission) when such organizations are licensed or are operated pursuant to exceptions provided by law.

"Bona fide charitable or nonprofit organization" means an organization that is established for charitable, educational, civic, patriotic, political, religious, scientific, social, fraternal, athletic, or agricultural purposes that the Commission determines has been organized and is operated primarily for purposes other than the operation of gambling activities. An organization must have been organized and continuously operating and demonstrated significant progress towards the purposes of the organization for at least 12 months before operating a gambling activity or applying for any license to operate a gambling activity. For the purposes of conducting raffles, a "bona fide charitable or nonprofit organization" includes a county, city, or town, as long as all revenue less prizes and expenses from raffles conducted by the county, city, or town are used for community activities or tourism-promotion activities.

Authorized Conduct of Certain Games.

Bona fide charitable or nonprofit organizations are authorized to conduct bingo games subject to certain restrictions. "Bingo" is defined as a game in which prizes are awarded by designated numbers or symbols on a card conforming to numbers or symbols selected at random and in which no cards are sold except at the time and place of the game. The game must be conducted by a bona fide charitable or nonprofit organization that does not conduct bingo on more than 12 consecutive days in any calendar year, and no person other than a bona fide member or an employee of said organization takes any part in the management or operation of the bingo game and no part of the proceeds go to any person other than the organization conducting the game.

A bona fide charitable or nonprofit organization that is organized primarily for purposes other than the conduct of bingo, raffles, and amusement games does not need a license to conduct such activities when:

- the activities are held in accordance with all other requirements of law and the Commission;
- the activities are conducted no more than twice each calendar year and over a period of no more than 12 consecutive days each time;
- only bona fide members of that organization, who are not paid for such services, participate in the management or operation of the activities;
- gross revenues to the organization from all the activities together do not amount to

- more than \$5,000 during any calendar year;
- all revenue remaining after the payment of prizes and other expenses of the activity is devoted solely to the charitable or nonprofit purposes of the organization;
- the organization gives five days' notice of any of the activities to the local police agency of the jurisdiction within which the activities are to be conducted; and
- the organization conducting the activities maintains records for a period of one year from the date of the event that accurately show the gross revenue from each activity, details of the expenses of conducting the activities, and details of the uses of the revenues.

An "amusement game" is a game played for entertainment in which: the contestant actively participates; the outcome depends in a material degree upon the skill of the contestant; only merchandise prizes are awarded; the outcome is not in the control of the operator; the wagers are placed, the winners are determined, and a distribution of prizes or property is made in the presence of all persons placing wagers at such game; and the game is conducted or operated by an entity in a manner and at locations that are authorized by rules adopted by the Commission.

Summary of Substitute Bill:

The definition of "bona fide charitable or nonprofit organization" includes a county, city, or town community center or a nonprofit senior housing organization for the purposes of conducting bingo pursuant to the requirements for a bona fide nonprofit organization operating without a license from the Washington State Gambling Commission.

Substitute Bill Compared to Original Bill:

The amendatory section that authorized bona fide charitable or nonprofit organizations to conduct bingo, raffles, and amusement games no more than 12 times each calendar year is removed. Current law that authorizes no more than two occurrences of such games each calendar year is unchanged.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The bill was requested by the Washington State Gambling Commission (Commission) to clarify the law. Current legal restrictions do not reflect the spirit of gaming laws. The Commission wants to be more efficient with staff resources and able to focus on primary agency oversight responsibilities and not these small games for seniors. Bingo games are really important to the socialization of our seniors and this bill is an important step to provide seniors with additional social gaming opportunities. There are many positive social benefits and events like bingo games combat social isolation which is associated with many negative health concerns. Important notifications and information for senior groups are scheduled around bingo as a way to engage residents with other programs. The change from two bingo events to 12 per year will help fill the calendar year and provide more opportunities to have more engagement with seniors.

(Opposed) None.

Persons Testifying: Representative Kelly Chambers, prime sponsor; Daniel Parkhurst, Washington Nonprofits; Tommy Oakes and Tina Griffin, Washington State Gambling Commission; and Mariah Weston, CIRC.

Persons Signed In To Testify But Not Testifying: None.