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**SENATE BILL 5549**

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**State of Washington**

**67th Legislature**

**2022 Regular Session**

**By** Senators King, Mullet, and Randall; by request of Gambling Commission

Prefiled 12/16/21. Read first time 01/10/22. Referred to Committee on Labor, Commerce & Tribal Affairs.

1 AN ACT Relating to amending types of nonprofit organizations  
2 qualified to engage in certain bingo gambling activities and changes  
3 to the number of occurrences for unlicensed bingo activities; and  
4 amending RCW 9.46.0209 and 9.46.0321.

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

6 **Sec. 1.** RCW 9.46.0209 and 2021 c 176 s 5202 are each amended to  
7 read as follows:

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

10 (i) Any organization duly existing under the provisions of  
11 chapter 24.12, 24.20, or 24.28 RCW, any agricultural fair authorized  
12 under the provisions of chapter 15.76 or 36.37 RCW, or any nonprofit  
13 corporation duly existing under the provisions of chapter 19.09 or  
14 24.03A RCW for charitable, benevolent, eleemosynary, educational,  
15 civic, patriotic, political, religious, scientific, social,  
16 fraternal, athletic, or agricultural purposes only, or any nonprofit  
17 organization, whether incorporated or otherwise, when found by the  
18 commission to be organized and operating for one or more of the  
19 aforesaid purposes only, all of which in the opinion of the  
20 commission have been organized and are operated primarily for

1 purposes other than the operation of gambling activities authorized  
2 under this chapter; or

3 (ii) Any corporation which has been incorporated under Title 36  
4 U.S.C. and whose principal purposes are to furnish volunteer aid to  
5 members of the armed forces of the United States and also to carry on  
6 a system of national and international relief and to apply the same  
7 in mitigating the sufferings caused by pestilence, famine, fire,  
8 floods, and other national calamities and to devise and carry on  
9 measures for preventing the same.

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

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

16 (ii) Demonstrate to the commission that it has made significant  
17 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 can be licensed by the commission and  
35 includes:

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

40 (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.

23 (4) For the purposes of bingo operated under RCW 9.46.0321, a  
24 bona fide nonprofit organization also includes a county, city, or  
25 town community center or a nonprofit senior housing organization.

26 **Sec. 2.** RCW 9.46.0321 and 1987 c 4 s 28 are each amended to read  
27 as follows:

28 Bona fide charitable or bona fide nonprofit organizations  
29 organized primarily for purposes other than the conduct of such  
30 activities are hereby authorized to conduct bingo, raffles, and  
31 amusement games, without obtaining a license to do so from the  
32 commission but only when:

33 (1) Such activities are held in accordance with all other  
34 requirements of this chapter, other applicable laws, and rules of the  
35 commission;

36 (2) Said activities are, alone or in any combination, conducted  
37 no more than (~~twice~~) 12 times each calendar year and over a period  
38 of no more than twelve consecutive days each time, notwithstanding  
39 the limitations of RCW 9.46.0205: PROVIDED, That a raffle conducted

1 under this subsection may be conducted for a period longer than  
2 twelve days;

3 (3) Only bona fide members of that organization, who are not paid  
4 for such services, participate in the management or operation of the  
5 activities;

6 (4) Gross revenues to the organization from all the activities  
7 together do not exceed five thousand dollars during any calendar  
8 year;

9 (5) All revenue therefrom, after deducting the cost of prizes and  
10 other expenses of the activity, is devoted solely to the purposes for  
11 which the organization qualifies as a bona fide charitable or  
12 nonprofit organization;

13 (6) The organization gives notice at least five days in advance  
14 of the conduct of any of the activities to the local police agency of  
15 the jurisdiction within which the activities are to be conducted of  
16 the organization's intent to conduct the activities, the location of  
17 the activities, and the date or dates they will be conducted; and

18 (7) The organization conducting the activities maintains records  
19 for a period of one year from the date of the event which accurately  
20 show at a minimum the gross revenue from each activity, details of  
21 the expenses of conducting the activities, and details of the uses to  
22 which the gross revenue therefrom is put.

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