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**SENATE BILL 6190**

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**State of Washington 68th Legislature 2024 Regular Session**

**By** Senators Rivers, Schoesler, and L. Wilson

AN ACT Relating to requirements for fund-raising activities of bona fide charitable nonprofit organizations; amending RCW 9.46.0311 and 9.46.070; and adding a new section to chapter 9.46 RCW.

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

**Sec.**  RCW 9.46.0311 and 1987 c 4 s 26 are each amended to read as follows:

The legislature hereby authorizes bona fide charitable or nonprofit organizations to conduct bingo games, raffles, sweepstakes, amusement games, and fund-raising events, and to utilize punchboards and pull-tabs and to allow their premises and facilities to be used by only members, their guests, and members of a chapter or unit organized under the same state, regional, or national charter or constitution, to play social card games authorized by the commission, when licensed, conducted, or operated ((~~pursuant to the provisions of~~)) under this chapter and rules ((~~and regulations~~)) adopted ((~~pursuant thereto~~)) under this chapter.

**Sec.**  RCW 9.46.070 and 2020 c 127 s 3 are each amended to read as follows:

The commission shall have the following powers and duties:

(1) To authorize and issue licenses for a period not to exceed one year to bona fide charitable or nonprofit organizations approved by the commission meeting the requirements of this chapter and any rules ((~~and regulations~~)) adopted ((~~pursuant thereto~~)) under this chapter permitting said organizations to conduct bingo games, raffles, sweepstakes, amusement games, and social card games, to utilize punchboards and pull-tabs in accordance with ((~~the provisions of~~)) this chapter and any rules ((~~and regulations~~)) adopted ((~~pursuant thereto~~)) under this chapter, and to revoke or suspend said licenses for violation of ((~~any provisions of~~)) this chapter or any rules ((~~and regulations~~)) adopted ((~~pursuant thereto: PROVIDED, That~~)) under this chapter. However, the commission shall not deny a license to an otherwise qualified applicant in an effort to limit the number of licenses to be issued((~~: PROVIDED FURTHER, That the~~)). The commission or director shall not issue, deny, suspend, or revoke any license because of considerations of race, sex, creed, color, or national origin((~~: AND PROVIDED FURTHER, That the commission~~)) and may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(2) To authorize and issue licenses for a period not to exceed one year to any person, association, or organization operating a business primarily engaged in the selling of items of food or drink for consumption on the premises, approved by the commission meeting the requirements of this chapter and any rules ((~~and regulations~~)) adopted ((~~pursuant thereto~~)) under this chapter permitting said person, association, or organization to utilize punchboards and pull-tabs and to conduct social card games as a commercial stimulant in accordance with ((~~the provisions of~~)) this chapter and any rules ((~~and regulations~~)) adopted ((~~pursuant thereto~~)) under this chapter and to revoke or suspend said licenses for violation of any provisions of this chapter and any rules ((~~and regulations~~)) adopted ((~~pursuant thereto: PROVIDED, That~~)) under this chapter. However, the commission shall not deny a license to an otherwise qualified applicant in an effort to limit the number of licenses to be issued((~~: PROVIDED FURTHER, That the~~)). The commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(3) To authorize and issue licenses for a period not to exceed one year to any person, association, or organization approved by the commission meeting the requirements of this chapter and meeting the requirements of any rules ((~~and regulations~~)) adopted by the commission pursuant to this chapter ((~~as now or hereafter amended~~)), permitting said person, association, or organization to conduct or operate amusement games in such manner and at such locations as the commission may determine. The commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(4) To authorize, require, and issue, for a period not to exceed one year, such licenses as the commission may by rule provide, to any person, association, or organization to engage in the manufacturing, selling, distributing, or otherwise supplying of devices, equipment, software, hardware, or any gambling-related services for use within this state for those activities authorized by this chapter. The commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(5) To establish a schedule of annual license fees for carrying on specific gambling activities upon the premises, and for such other activities as may be licensed by the commission, which fees shall provide to the commission not less than an amount of money adequate to cover all costs incurred by the commission relative to licensing under this chapter and the enforcement by the commission of ((~~the provisions of~~)) this chapter and rules ((~~and regulations~~)) adopted ((~~pursuant thereto: PROVIDED, That~~)) under this chapter. However, all licensing fees shall be submitted with an application therefor and such portion of said fee as the commission may determine, based upon its cost of processing and investigation, shall be retained by the commission upon the withdrawal or denial of any such license application as its reasonable expense for processing the application and investigation into the granting thereof((~~: PROVIDED FURTHER, That if~~)). If, in a particular case, the basic license fee established by the commission for a particular class of license is less than the commission's actual expenses to investigate that particular application, the commission may at any time charge to that applicant such additional fees as are necessary to pay the commission for those costs. The commission may decline to proceed with its investigation and no license shall be issued until the commission has been fully paid therefor by the applicant((~~: AND PROVIDED FURTHER, That the~~)). The commission may establish fees for the furnishing by it to licensees of identification stamps to be affixed to such devices and equipment as required by the commission and for such other special services or programs required or offered by the commission, the amount of each of these fees to be not less than is adequate to offset the cost to the commission of the stamps and of administering their dispersal to licensees or the cost of administering such other special services, requirements or programs;

(6) To prescribe the manner and method of payment of taxes, fees, and penalties to be paid to or collected by the commission;

(7) To require that applications for all licenses contain such information as may be required by the commission((~~: PROVIDED, That~~)). However, all persons (a) having a managerial or ownership interest in any gambling activity, or the building in which any gambling activity occurs, or the equipment to be used for any gambling activity, (b) participating as an employee in the operation of any gambling activity, or (c) participating as an employee in the operation, management, or providing of gambling-related services for sports wagering, shall be listed on the application for the license and the applicant shall certify on the application, under oath, that the persons named on the application are all of the persons known to have an interest in any gambling activity, building, or equipment by the person making such application((~~: PROVIDED FURTHER, That the~~)). The commission shall require fingerprinting and national criminal history background checks on any persons seeking licenses, certifications, or permits under this chapter or of any person holding an interest in any gambling activity, building, or equipment to be used therefor, or of any person participating as an employee in the operation of any gambling activity. All national criminal history background checks shall be conducted using fingerprints submitted to the United States department of justice-federal bureau of investigation. The commission must establish rules to delineate which persons named on the application are subject to national criminal history background checks. In identifying these persons, the commission must take into consideration the nature, character, size, and scope of the gambling activities requested by the persons making such applications;

(8) To require that any license holder maintain records as directed by the commission and submit such reports as the commission may deem necessary;

(9) To require that all income from bingo games, raffles, and amusement games be recorded and reported as established by rule ((~~or regulation~~)) of the commission to the extent deemed necessary by considering the scope and character of the gambling activity in such a manner that will disclose gross income from any gambling activity, amounts received from each player, the nature and value of prizes, and the fact of distributions of such prizes to the winners thereof;

(10) To regulate and establish maximum limitations on income derived from bingo. In establishing limitations pursuant to this subsection the commission shall take into account: (a) ((~~the~~)) The nature, character, and scope of the activities of the licensee; (b) the source of all other income of the licensee; and (c) the percentage or extent to which income derived from bingo is used for charitable, as distinguished from nonprofit, purposes. However, the commission's powers and duties granted by this subsection are discretionary and not mandatory;

(11) To regulate and establish the type and scope of and manner of conducting the gambling activities authorized by this chapter, including but not limited to, the extent of wager, money, or other thing of value which may be wagered or contributed or won by a player in any such activities;

(12) To regulate the collection of and the accounting for the fee which may be imposed by an organization, corporation, or person licensed to conduct a social card game on a person desiring to become a player in a social card game in accordance with RCW 9.46.0282;

(13) To cooperate with and secure the cooperation of county, city, and other local or state agencies in investigating any matter within the scope of its duties and responsibilities;

(14) In accordance with RCW 9.46.080, to adopt ((~~such~~)) rules ((~~and regulations as are deemed~~)) necessary to carry out ((~~the purposes and provisions of~~)) this chapter. All rules ((~~and regulations~~)) shall be adopted pursuant to the administrative procedure act, chapter 34.05 RCW;

(15) To set forth for the perusal of counties, city-counties, cities and towns, model ordinances by which any legislative authority thereof may enter into the taxing of any gambling activity authorized by this chapter;

(16)(a) To establish and regulate a maximum limit on salaries or wages which may be paid to persons employed in connection with activities conducted by bona fide charitable or nonprofit organizations and authorized by this chapter, where payment of such persons is allowed, and to regulate and establish maximum limits for other expenses in connection with such authorized activities, including but not limited to rent or lease payments. However, the commissioner's powers and duties granted by this subsection are discretionary and not mandatory.

(b) In establishing these maximum limits the commission shall take into account the amount of income received, or expected to be received, from the class of activities to which the limits will apply and the amount of money the games could generate for authorized charitable or nonprofit purposes absent such expenses. The commission may also take into account, in its discretion, other factors, including but not limited to, the local prevailing wage scale and whether charitable purposes are benefited by the activities;

(17) To authorize, require, and issue for a period not to exceed one year such licenses or permits, for which the commission may by rule provide, to any person to work for any operator of any gambling activity authorized by this chapter in connection with that activity, or any manufacturer, supplier, or distributor of devices for those activities in connection with such business. The commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission. The commission shall not require that persons working solely as volunteers in an authorized activity conducted by a bona fide charitable or bona fide nonprofit organization, who receive no compensation of any kind for any purpose from that organization, and who have no managerial or supervisory responsibility in connection with that activity, be licensed to do such work. The commission may require that licensees employing such unlicensed volunteers submit to the commission periodically a list of the names, addresses, and dates of birth of the volunteers. If any volunteer is not approved by the commission, the commission may require that the licensee not allow that person to work in connection with the licensed activity;

(18) To publish and make available at the office of the commission or elsewhere to anyone requesting it a list of the commission licensees, including the name, address, type of license, and license number of each licensee;

(19) To establish guidelines for determining what constitutes active membership in bona fide nonprofit or charitable organizations for the purposes of this chapter;

(20) To renew the license of every person who applies for renewal within six months after being honorably discharged, removed, or released from active military service in the armed forces of the United States upon payment of the renewal fee applicable to the license period, if there is no cause for denial, suspension, or revocation of the license;

(21) To authorize, require, and issue, for a period not to exceed one year, such licenses as the commission may by rule provide, to any person, association, or organization that engages in any sports wagering-related services for use within this state for sports wagering activities authorized by this chapter. The commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(22) To issue licenses under subsections (1) through (4) of this section that are valid for a period of up to ((~~eighteen~~)) 18 months, if it chooses to do so, in order to transition to the use of the business licensing services program through the department of revenue; and

(23) To perform all other matters and things necessary to carry out ((~~the purposes and provisions of~~)) this chapter.

NEW SECTION. **Sec.**  A new section is added to chapter 9.46 RCW to read as follows:

(1) Bona fide charitable or nonprofit organizations authorized to conduct activities under this chapter may sponsor or conduct sweepstakes, subject to the following conditions:

(a) No entry fee may be charged to participate in a sweepstakes authorized by this subsection.

(b) A bona fide charitable or nonprofit organization may ask for a donation on the same sweepstakes entry form if the donation does not increase the chances of winning and this is clearly stated next to the donation request.

(c) Entry into or participation in a sweepstakes must be limited to persons 18 years of age or older.

(d) Any sweepstakes offered in Washington must be open to all residents of Washington.

(e) All permitted means of entry, including the use of electronic or scanner codes, must clearly indicate that no purchase is required to enter.

(f) All sweepstakes entries must provide the entrant with equal odds of winning.

(g) Advertising of a sweepstakes must comply with the signage and advertising restrictions contained in this chapter and any rules adopted by the commission.

(h) This section does not authorize sweepstakes where consumers are entitled to an allotment or accumulation of points based on purchases made over a period of time that can be redeemed for prizes, things of value, or additional sweepstakes entries.

(2) The following unfair acts or practices undertaken by, or omissions of, any bona fide charitable or nonprofit organization in the operation of any sweepstakes are prohibited and punishable under this chapter or under rules adopted by the commission:

(a) Misrepresenting in any manner the odds of winning a prize;

(b) Misrepresenting in any manner the rules, terms, or conditions of participation in a contest;

(c) Failing to clearly and conspicuously disclose with all contest sweepstakes and with all promotional sweepstakes all of the following:

(i) The maximum cost of any postage and handling fees that a participant may be asked to pay to enter the sweepstakes;

(ii) The date or dates on or before which the contest will terminate and upon which all prizes will be awarded; and

(iii) All rules, terms, and conditions of the contest;

(d) Failing to clearly and conspicuously disclose the exact nature and approximate value of the prizes when offered;

(e) Failing to award and distribute all prizes of the value and type represented;

(f) Falsely representing, directly or by implication, that the number of participants has been significantly limited, or that a particular person has been selected to win a prize;

(g) Representing, directly or by implication, that a particular person has won any money, prize, thing, or other value in a contest unless there has been a real contest in which at least a majority of the participants have failed to win a prize, money, thing, or other value;

(h) Representing, directly or by implication, that a particular person has won any money, prize, thing, or other value without disclosing the exact nature and approximate value of the item; or

(i) Failing to obtain the express written or oral consent of individuals before their names are used for a promotional purpose in connection with a mailing to a third person.

(3) Contestants must, clearly and conspicuously, be given the opportunity to indicate if they wish to enter a phase of the contest for free, except for reasonable postage and handling fees of up to $1.50 plus the actual cost of postage. This must be clearly and conspicuously disclosed at the time of the initial contest solicitation and each time that the fee payment is required.

(4) This section does not restrict lawful games licensed under this chapter or operations of the state lottery commission under chapter 67.70 RCW.

(5)(a) Solicitation materials containing sweepstakes entry materials must include a clear and conspicuous statement of the no purchase or payment necessary message, in readily understandable terms, in the official rules included in those solicitation materials. If the official rules do not appear on the solicitation materials, they must appear on the entry-order device included in those solicitation materials. The no purchase or payment necessary message included in the official rules must be set out in a separate paragraph and be printed in capital letters in contrasting typeface that is the same size as the largest typeface used in the text of the official rules.

(b) Sweepstakes entries not accompanied by a donation to a bona fide charitable or nonprofit organization must be treated in the same manner as entries that are accompanied by a request for a donation.

(c) Solicitation materials containing sweepstakes entry materials or solicitation materials providing information regarding sweepstakes may not represent that an entry in the promotional sweepstakes accompanied by a donation to a bona fide charitable or bona fide nonprofit organization will be eligible to receive additional prizes or be more likely to win than an entry not accompanied by a request for donation or that an entry not accompanied by a request for donation will have a reduced chance of winning a prize in the promotional sweepstakes.

(d) Solicitation materials containing sweepstakes entry materials may not falsely represent that a person has been specially selected in connection with a sweepstakes.

(e) Solicitation materials containing sweepstakes entry materials or solicitation materials providing information regarding sweepstakes may not falsely represent that the person receiving the solicitation has received any special treatment or personal attention from the bona fide charitable or nonprofit organization or any officer, employee, or agent of the bona fide charitable or nonprofit organization.

(f) Solicitation materials containing sweepstakes entry materials or solicitation materials providing information regarding sweepstakes shall not represent that a prize notice is urgent or otherwise convey an impression of urgency by use of description, phrasing on a mailing envelope, or similar method, unless there is a limited time period in which the recipient must take some action to claim, or be eligible to receive, a prize, and the date by which that action is required is clearly and conspicuously disclosed in the body of the solicitation materials.

(g) Solicitation materials containing sweepstakes entry materials or solicitation materials providing information regarding sweepstakes may not:

(i) Simulate or falsely represent that it is a document authorized, issued, or approved by any court, official, or agency of the United States or any state, or by any lawyer, law firm, or insurance or brokerage company; or

(ii) Create a false impression as to its source, authorization, or approval.

(6) The official rules for a sweepstakes must disclose information about the date or dates the final winner or winners will be determined.

(7) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "No purchase or payment necessary message" means the following statement or a statement substantially similar to the following statement: "No purchase or payment of any kind is necessary to enter or win this sweepstakes."

(b) "Official rules" means the formal printed statement of the rules for the promotional sweepstakes appearing in the solicitation materials. The official rules must be prominently identified and all references to the official rules in any solicitation materials must use the designation for the official rules that appears in those materials. Each sweepstakes solicitation must contain a copy of the official rules.

(c) "Specially selected" means a representation that a person is a winner, a finalist, in first place or tied for first place, or otherwise among a limited group of persons with an enhanced likelihood of receiving a prize.

(d) "Sweepstakes" means a procedure, activity, or event for the distribution of anything of value by lot, chance, or random selection, where the odds for winning a prize are equal for each entry.

**--- END ---**