
**State Government & Tribal Relations
Committee**

HB 1364

Brief Description: Increasing the gross revenue threshold for unlicensed bingo, raffles, and amusement games conducted by charitable or nonprofit organizations.

Sponsors: Representatives Orcutt, Klicker, Eslick, Jacobsen, Ley and Springer.

Brief Summary of Bill

- Increases, from \$5,000 to \$15,000, the amount of gross revenues combined from raffles, bingo games, and amusement games, that charitable or nonprofit organizations may generate in a calendar year without obtaining a license from the Washington State Gambling Commission.
- Increases the threshold for local government taxation of bingo games and amusement games conducted by charitable or nonprofit organizations, so no local government gambling tax may be imposed when gross receipts from these two activities combined do not exceed \$15,000 per year, less prizes awarded, instead of when gross receipts from these two activities combined do not exceed \$5,000 per year, less prizes awarded.
- Increases the threshold for local government taxation of raffles conducted by charitable or nonprofit organizations, so no local government gambling tax may be imposed on the first \$15,000 of raffle gross receipts, less prizes awarded, instead of on the first \$10,000 of raffle gross receipts, less prizes awarded.

Hearing Date: 1/30/26

Staff: Connor Schiff (786-7093).

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.

Background:

Charitable or Nonprofit Organizations Conducting Bingo Games, Raffles, and Amusement Games.

The Gambling Act permits bona fide charitable or nonprofit organizations to conduct bingo games, raffles, and amusement games. Depending on how the activities are conducted, a license issued to the charitable or nonprofit organization by the Washington State Gambling Commission (WSGC) may be required. To be considered an eligible bona fide charitable or nonprofit organization, the organization must be organized for charitable, benevolent, eleemosynary, educational, civic, patriotic, political, religious, scientific, social, fraternal, athletic, or agricultural purposes only. The organization must also have been organized and be operated primarily for purposes other than the operation of gambling activities in the opinion of the WSGC.

The charitable or nonprofit organization must: (1) be organized and continuously operating for at least 12 calendar months immediately preceding making application for a license to operate a gambling activity, or the operation of any authorized gambling activity for which no license is required; and (2) demonstrate to the WSGC that it has made significant progress toward the accomplishment of the purposes of the organization during the 12-month period.

For the purposes of conducting raffles and local taxation of certain gambling activities, an eligible nonprofit organization also includes:

- a credit union conducting raffles where the net proceeds are devoted to purposes authorized for charitable and nonprofit organizations; or
- a group of executive branch state employees with approval for conducting a raffle, with participation limited to the agency's employees, to raise funds in relation to the Combined Fund Drive or charitable or benevolent entities, and meeting specified requirements.

Licensing Threshold and Requirements.

Eligible charitable or nonprofit organizations organized primarily for purposes other than conducting gambling activities are authorized to conduct bingo games, raffles, and amusement games, without obtaining a license to do so from the WSGC, if the following requirements are met:

- gross revenues to the organization from all bingo games, raffles, and amusement games together do not exceed \$5,000 during any calendar year;
- the bingo games, raffles, and amusement games are, alone or in combination, conducted no more than twice each calendar year and over a period of no more than 12 consecutive days each time, except a raffle may be conducted for a period longer than 12 days;
- tickets to raffles are sold only to, and winners are determined only from, the regular members of the organization;
- only bona fide members of that organization, who are not paid for their services, participate in managing or operating the bingo games, raffles, and amusement games;
- all revenue from the bingo games, raffles, and amusement games, after deducting the cost of prizes and other expenses of the activities, is devoted solely to the purposes for which

- the organization qualifies as an eligible charitable or nonprofit organization;
- the organization gives notice at least five days in advance of conducting any bingo games, raffles, and amusement games to the local police agency of the applicable jurisdiction; and
- the organization maintains records for one year from the date of the event that accurately show, at a minimum, the gross revenue from each bingo game, raffle, and amusement game; details of the expenses of conducting these activities; and details of the uses to which the gross revenue is put.

Local Government Taxation.

The legislative authority of a local government may provide for the taxing of any gambling activity authorized under the Gambling Act within its jurisdiction. The tax receipts must go to the local government taxing the activity. Any tax imposed by a county alone does not apply to any gambling activity within a city or town located in the county, but the tax rate established by a county, if any, constitutes the tax rate throughout the unincorporated areas of the county.

However, the following restrictions apply to local governments' taxation of authorized gambling activities:

- No tax may be imposed on bingo games or amusement games when the activities are conducted by an eligible charitable or nonprofit organization that has no paid operating or management personnel and has gross receipts from bingo games or amusement games, or a combination thereof, not exceeding \$5,000 per year, less the amount awarded as cash or merchandise prizes.
- No tax may be imposed on the first \$10,000 of gross receipts, less the amount awarded as cash or merchandise prizes, from raffles conducted by an eligible charitable or nonprofit organization.
- Taxation of bingo games and raffles may not be in an amount greater than 5 percent of the gross receipts from a bingo game or raffle, less the amount awarded as cash or merchandise prizes.
- Taxation of amusement games may only be in an amount sufficient to pay the actual costs of enforcement by the local government law enforcement agency and in no event may the taxation exceed 2 percent of the gross receipts from the amusement game, less the amount awarded as prizes.

Summary of Bill:

Licensing Threshold.

The amount of gross revenues combined from bingo games, raffles, and amusement games that eligible charitable or nonprofit organizations may generate in a calendar year without obtaining a license from the Washington State Gambling Commission to conduct gambling activities, is increased from \$5,000 to \$15,000.

Local Government Taxation of Bingo Games and Amusement Games.

The threshold for local government taxation of bingo games and amusement games conducted by charitable or nonprofit organizations is increased, so that no local government gambling tax may

be imposed when gross receipts from these two activities in combination do not exceed \$15,000 per year, less the amount awarded as cash or merchandise prizes, instead of when gross receipts from these two activities in combination do not exceed \$5,000 per year, less the amount awarded as cash or merchandise prizes.

Local Government Taxation of Raffles.

The threshold for local government taxation of raffles conducted by charitable or nonprofit organization is increased, so that no local government gambling tax may be imposed on the first \$15,000 of raffle gross receipts, less the amount awarded as cash or merchandise prizes, instead of on the first \$10,000 of raffle gross receipts, less the amount awarded as cash or merchandise prizes.

Appropriation: None.

Fiscal Note: Requested on January 26, 2026.

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