

SENATE BILL REPORT

HB 2566

As Reported By Senate Committee On:
Labor, Commerce & Trade, February 22, 1996

Title: An act relating to the definition of "sale" and related terms in chapter 9.46 RCW.

Brief Description: Defining "sale" and related terms with regard to gambling act.

Sponsors: Representatives Hickel, Costa and Chappell; by request of Secretary of State.

Brief History:

Committee Activity: Labor, Commerce & Trade: 2/21/96, 2/22/96 [DPA].

SENATE COMMITTEE ON LABOR, COMMERCE & TRADE

Majority Report: Do pass as amended.

Signed by Senators Pelz, Chair; A. Anderson, Deccio, Franklin, Fraser, Newhouse and Wojahn.

Staff: Traci Ratzliff (786-7452)

Background: Under current law, charitable organizations and commercial fund raisers that solicit contributions from the general public for charitable activity are regulated by the Secretary of State's office. Charitable activity includes but is not limited to: educational, recreational, social, patriotic, legal defense, benevolent, and health causes, but does not include religious or political activity. Solicitation means any oral or written request for a contribution, including the solicitor's offer or attempt to sell any property, rights, services, or other thing in connection with an appeal for assisting a charitable purpose or organization. Bingo activities, raffles, and amusement games conducted by charitable organizations under current gambling statutes are specifically excluded from the definition of "solicitation" and are therefore not regulated by the Secretary of State's office.

Charitable and nonprofit organizations are permitted to operate raffles under certain conditions established in state law. A raffle is defined as a game in which tickets bearing an individual number are sold for not more than \$25 each and in which a prize or prizes are awarded based on a drawing.

Certain charitable and nonprofit organizations have solicited funds utilizing a raffle-like scheme that does not fall under the charitable solicitation statutes. Nor does this activity technically fall under the definition of a raffle included in current gambling statutes, because a consumer is not required to buy a ticket at a set price but can obtain a ticket for free or for a donation.

Summary of Amended Bill: The definition of "sale or sold" is established in the gambling statutes. It includes a solicitation for a donation in conjunction with participation in a raffle whether or not an amount is suggested for the donation.

Charitable organizations that operate raffles utilizing this ticket selling scheme are subject to regulation by the Gambling Commission.

Amended Bill Compared to Original Bill: Technical amendments are made.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill will close a gap in current law that is being abused by unscrupulous solicitors who are seeking funds from Washington consumers and do not want to be regulated by the state.

Testimony Against: None.

Testified: Linda Mackintosh, Office of Secretary of State.