

HOUSE BILL REPORT

HB 1562

As Passed House:

January 12, 1996

Title: An act relating to a fund raising event.

Brief Description: Modifying the requirements for fund raising events.

Sponsors: Representatives Huff, Chappell, Chandler, Carrell and Costa.

Brief History:

Committee Activity:

Commerce & Labor: 2/13/95, 2/15/95 [DP].

Floor Activity:

Passed House: 3/8/95, 89-5;

Passed House: 1/12/96, 90-2

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 8 members: Representatives Lisk, Chairman; Hargrove, Vice Chairman; Thompson, Vice Chairman; Conway, Assistant Ranking Minority Member; Cairnes; Cody; Goldsmith and Horn.

Minority Report: Do not pass. Signed by 3 members: Representatives Romero, Ranking Minority Member; Cole and Fuhrman.

Staff: Pam Madson (786-7166).

Background: Nonprofit or charitable organizations, except agricultural fairs, may conduct fund raising events that involve gambling activities such as bingo, amusement games, contests of chance, lotteries and raffles.

These organizations may hold an extended event once a year lasting more than one day and no more than three days, or a one day event twice a year.

The total annual profit from fund raising events may not exceed \$10,000 for any individual organization. Organizations may join together to sponsor an event. The total profit from a joint event may not exceed \$10,000.

In addition to limits on the profit that can be made by an organization, these events may be conducted only as prescribed by law. For example, only members of the

organization may participate in the management or operation of the activities. Certain mechanical gambling or lottery devices are prohibited. All income less prizes and expenses must be devoted solely to the lawful purposes of the organization, and local law enforcement must be notified of the time and place of the event.

The use of this method to raise money by nonprofit and charitable organizations has declined since 1985 reflecting the decline in the amount organizations are raising per event.

Summary of Bill: A fund raising event may be a consecutive three day event or a one day event where no gambling takes place between the hours of 2:00 a.m. and 6:00 a.m. A nonprofit or charitable organization may hold two three day events or four one day events each year, or a combination of one three day event and two one day events.

The total profit allowed for a single event is increased to \$15,000 with a total annual profit limit of \$30,000 for all events. Total profit from a joint event is increased to \$15,000.

Members and spouses may operate and manage events. An organization may use up to five people who are not members or their spouses and who are approved by the Gambling Commission to operate gambling activities. They may not participate in managing the event or be involved in any financial aspect of the event. The commission determines what payment they may receive.

Those who rent equipment to the organization may receive an amount determined by the commission to train and provide "advisory services" connected with the event.

Appropriation: None.

Fiscal Note: Requested on February 6, 1995.

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

Testimony For: This bill helps charitable organizations raise more money for causes that help communities. These are volunteer organizations, and they do not always have the expertise necessary to put on these casino nights. They need to be able to use additional help. This is consistent with recommendations of the Gambling Task Force.

Testimony Against: None.

Testified: Representative Huff, prime sponsor (pro); Lynn Melby, Rod Cahill, Ron Gilmore, and Stu Halson, Washington State Federation of Clubs (pro); and Frank

Miller, Washington Gambling Commission.