

# HOUSE BILL REPORT

## SB 5034

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### As Passed House-Amended:

April 8, 1997

**Title:** An act relating to gambling.

**Brief Description:** Changing the definition of "bona fide charitable or nonprofit organization" for gambling statutes.

**Sponsors:** Senator Roach.

### Brief History:

#### Committee Activity:

Commerce & Labor: 3/26/97, 3/31/97 [DPA].

#### Floor Activity:

Passed House-Amended: 4/8/97, 88-9.

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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass as amended. Signed by 9 members: Representatives McMorris, Chairman; Honeyford, Vice Chairman; Conway, Ranking Minority Member; Wood, Assistant Ranking Minority Member; Boldt; Clements; Cole; Hatfield and Lisk.

**Staff:** Pam Madson (786-7166).

**Background:** The gambling law provides criteria for determining whether an organization qualifies as a bona fide charitable or nonprofit organization. A qualifying organization may be one that operates under the state's nonprofit corporations and associations statutes. The purpose of the organization must be charitable, educational, civic, political, athletic or agricultural. The organization must have been operating for 12 months prior to applying for a license to conduct gambling activity and must be able to show the Washington State Gambling Commission that it has made progress toward accomplishing its charitable purposes. It must have 15 active members, each with an equal vote in the business of the organization.

**Summary of Bill:** The minimum number of members required for an organization to qualify as a bona fide charitable or nonprofit organization under the gambling laws is reduced from 15 members to seven members.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** State law allows incorporation of not-for-profit organizations for a variety of purposes. To maintain such certification the organization is required to have at least two elected officers who determine the policies of the organization. In order to obtain a gambling license to conduct gambling activity such as raffles, the organization must have at least 15 elected officers or directors who are empowered to direct policy. The requirement for 15 officers or directors is unreasonable and limits the activities of smaller nonprofits. This bill attempts to bring the number of elected officers required down to a more reasonable figure, more in line with the state's incorporation requirements.

**Testimony Against:** None.

**Testified:** (In support) Joe Waldron, GOAL of Washington.