

5034

Sponsor(s): Senator Roach

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

**SB 5034 - DIGEST**

(DIGEST AS ENACTED)

Increases the maximum limit on the cost of a single chance for punch boards or pull tabs from 50 cents to \$1.

Permits local governments to impose on charitable or nonprofit organizations a tax rate of up to 10 percent on the gross receipts less the amount paid out as prizes, generated from punch boards and pull tabs. Local governments are given the authority to impose on commercial stimulant operators (taverns and restaurants) a tax rate of up to 5 percent on the gross receipts from punch boards and pull tabs or a tax rate of up to 10 percent on the gross receipts less the amount paid out as prizes, generated from punch boards and pull tabs.

VETO MESSAGE ON SB 5034

May 16, 1997

To the Honorable President and Members,  
The Senate of the State of Washington  
Ladies and Gentlemen:

I am returning herewith, without my approval as to sections 1 and 2, Senate Bill No. 5034 entitled:

"AN ACT Relating to gambling;"

This legislation combines several provisions relating to authorized gambling activities for bona fide nonprofit or charitable organizations and to authorized gambling activities for commercial stimulant licensees.

Section 1 would reduce the minimum number of members that a charitable organization must have in order to conduct authorized gambling activities from 15 to seven. This limitation is on the number of active members in the organization and not on the number of board members. I am concerned that if this change is made, it will encourage small groups of people to form nonprofit organizations for the primary purpose of engaging in charitable gaming activities, in violation of the gambling code.

Section 2 would authorize charitable or nonprofit organizations to operate joint bingo games in which the prizes are pooled during their normal days of operation. Despite agreements that have been reached between the association representing charitable gaming licensees and the Washington State Gambling Commission regarding limitations that could be placed on joint bingo operations to ensure better control, I am concerned that this change in the law would make high stakes gambling even more accessible to the public than it already is. Although I sympathize with the difficulty sometimes encountered by charitable organizations in raising funds for very important causes, this

concern does not justify an expansion of authorized gambling in this state.

For these reasons, I have vetoed sections 1 and 2 of Senate Bill No. 5034. With the exception of sections 1 and 2, Senate Bill No. 5034 is approved.

Respectfully submitted,  
Gary Locke  
Governor