

# HOUSE BILL ANALYSIS

## HB 1260

**Brief Description:** Regulating recreational gaming activities.

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**Sponsors:** Wood and McMorris

**Hearing:** February 8, 1999

### Brief Summary of Bill

- Allows charitable and nonprofit organizations to engage in recreational gaming activity.
- Allows the sponsoring organization to charge an admission fee of up to \$500.
- Authorizes the Gambling Commission to adopt rules regulating the recreational gaming activities.

### BACKGROUND:

The Gambling Commission permits and regulates recreational gaming activities. Recreational gaming is a nongambling activity. Participants use scrip or chips rather than actual money or things of value to wager. Participants use Las Vegas style gambling equipment such as craps tables, roulette and blackjack. The equipment is provided by distributors licensed by the Commission. Only equipment that is authorized for fund-raising activities may be used for recreational gaming activities. Slot machines may not be used.

Any organization may seek a permit from the Gambling Commission to sponsor a recreational gaming activity. Recreational gaming typically is conducted along with a dinner or entertainment. The recreational gaming activity is incidental to the main event, and is used for entertainment purposes only. No actual gambling may take place. When the recreational games are over, participants redeem scrip or chips for prizes donated to the sponsoring organization or purchased for the event by the organization.

The organization conducting the event may not profit from the recreational gaming activity. The sponsoring organization may not charge a fee for the opportunity to participate or enter the premises, however it may charge a fee that covers the organization's costs for conducting the event and the recreational gaming activity.

These events may be conducted by the sponsoring organization only twice a year and only members and guests may participate.

The Gambling Commission requires that recreational gaming activities be limited to eight hours and that the sponsoring organization notify local law enforcement about the activity.

Recreational gaming activity differs from fund-raising events sponsored by bona fide charitable and nonprofit organizations. Fund-raising events use Las Vegas style gambling equipment similar to equipment allowed for recreational gaming. However, participants at fund-raising events use actual money to place wagers. The purpose of these events is to raise money for the organization's charitable or nonprofit activities, not merely to provide entertainment.

As defined in the gambling laws, a gambling device includes slot machines, video poker and other electronic games of chance.

#### **SUMMARY OF BILL:**

Recreational gaming activity is permitted and is limited to bona fide charitable and nonprofit organizations. Gambling devices used for the activity must be obtained from a licensed distributor of fund-raising event equipment. As with charitable and nonprofit fund-raising events, the sponsoring organization may contract with a recreational gaming contractor to operate the gaming tables. The contractor must agree to provide services for a fixed price.

A sponsoring organization may charge up to \$500 per person for the opportunity to participate in the event or as admission to the event. Throughout the event, participants may purchase an unlimited amount of scrip or chips from the sponsoring organization. All profits from the activity must be donated to a bona fide charitable or nonprofit organization.

All prizes must be donated to or provided by the sponsoring organization. The value of all prizes purchased by the sponsoring organization may not exceed 10 percent of the gross revenue from the recreational gaming activity.

The Gambling Commission is authorized to adopt new rules regulating recreational gaming activities.

**RULES AUTHORITY:** The bill does contain provisions addressing the rule making powers of an agency.

**FISCAL NOTE:** Requested February 4, 1999.

**EFFECTIVE DATE:** Ninety days after adjournment of a session in which bill is passed.