

SENATE BILL REPORT

SB 5204

As of January 25, 1999

Title: An act relating to recreational gaming activities.

Brief Description: Regulating recreational gaming activities.

Sponsors: Senators T. Sheldon, Benton, Prentice, Shin, Winsley, Gardner, Hale, Horn, Heavey and Rasmussen.

Brief History:

Committee Activity: Commerce, Trade, Housing & Financial Institutions: 1/26/99.

SENATE COMMITTEE ON COMMERCE, TRADE, HOUSING & FINANCIAL INSTITUTIONS

Staff: Catherine Mele (786-7470)

Background: The responsibilities of the Gambling Commission include permitting and regulating recreational gaming activities. In addition, the Gambling Commission licenses distributors that provide the gambling devices used at recreational gaming events.

Any type of organization can sponsor a recreational gaming activity. Typically, the organizational sponsor charges a fee for entering the premises. This fee cannot exceed the organization's costs for conducting the event and the recreational gaming activity. Recreational gaming activities are incidental to the main event, and are used for entertainment purposes. The organization conducting the event may not profit from the recreational gaming activity.

When the participants arrive at the main event, they receive a certain number of scrips or chips that are used to play various recreational gaming activities. These scrips or chips have no value and no money is exchanged during any of the recreational gaming activities. When the recreational games are over, participants redeem scrips or chips for prizes donated to the organizer or purchased for the event by the organizer. The Gambling Commission requires that recreational gaming activities be limited to eight hours and that the organizer notify local law enforcement about the activities.

Summary of Bill: Many of the Gambling Commission's regulations governing recreational gaming activities are codified and made applicable only to bona fide charitable and nonprofit organizations. An organizer is limited to a charge of no more than \$500 per person for the opportunity to participate in the main event. The value of all prizes purchased by the organizer must not exceed 10 percent of the gross revenue from the recreational gaming activity. Throughout the event, participants may purchase an unlimited amount of scrips or chips from the organizer. All profits from the activity must be donated to a bona fide charitable or nonprofit organization. The Gambling Commission is authorized to adopt new rules regulating recreational gaming activities.

Appropriation: None.

Fiscal Note: Requested on January 23, 1999.

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