

SENATE BILL REPORT

SB 5790

As of February 25, 1999

Title: An act relating to use of certain revenues from local taxation of social card games.

Brief Description: Dedicating certain local gambling tax revenues.

Sponsors: Senator Prentice.

Brief History:

Committee Activity: Commerce, Trade, Housing & Financial Institutions: 2/25/99.

SENATE COMMITTEE ON COMMERCE, TRADE, HOUSING & FINANCIAL INSTITUTIONS

Staff: Catherine Mele (786-7470)

Background: A city, county, or town may tax social card games at a rate not to exceed 20 percent of gross revenues from the games. Not all local jurisdictions tax social card games at the maximum tax rate.

Current law requires that local jurisdictions use the tax revenues collected on gambling activities primarily for the enforcement of gambling laws by local law enforcement agencies. There are no other restrictions on how local jurisdictions spend these tax revenues.

Summary of Bill: A local government may tax at a rate of up to 10 percent and the revenue generated may be used primarily for enforcement of gambling laws by local law enforcement agencies. A local government may tax in excess of a rate of 10 percent and the revenue generated on that portion of the tax exceeding 10 percent may only be used in the following manner: 75 percent must be used to fund streets and roads, and 25 percent must be used to fund compulsive gambling education and awareness programs.

Appropriation: None.

Fiscal Note: Requested on February 19, 1999.

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