

SENATE BILL REPORT

SB 6557

As Reported By Senate Committee On:
Commerce, Trade, Housing & Financial Institutions, February 3, 2000

Title: An act relating to credit union raffles.

Brief Description: Allowing credit unions to conduct raffles.

Sponsors: Senators Prentice, Winsley, Shin, Benton, Roach, Kohl-Welles and T. Sheldon.

Brief History:

Committee Activity: Commerce, Trade, Housing & Financial Institutions: 2/3/2000
[DPS].

SENATE COMMITTEE ON COMMERCE, TRADE, HOUSING & FINANCIAL INSTITUTIONS

Majority Report: That Substitute Senate Bill No. 6557 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Shin, Vice Chair; Benton, Hale, T. Sheldon and Winsley.

Staff: Susan Jones (786-7784)

Background: A bona fide charitable or nonprofit organization, as defined in the gambling act, may conduct raffles without obtaining a license when the gross revenue from all the organization's raffles within the calendar year do not exceed \$5,000 and the raffle tickets are sold only to and winners are determined only from among regular members of the organization. Bona fide charitable and nonprofit organizations are allowed other exemptions under the gambling act including exclusion from local taxation on the first \$10,000 of gross receipts less prizes from raffles conducted by such organizations.

A credit union is a cooperative society organized as a nonprofit corporation for the purposes of promoting thrift among its members and creating a source of credit for them at fair and reasonable rates of interest.

Summary of Substitute Bill: Both state and federal credit unions are included in the definition of a bona fide charitable and nonprofit organization for the purposes of conducting raffles where the gross revenues do not exceed \$5,000 within a calendar year and tickets are sold only to and winners are determined only from among regular members of the organization. The proceeds are exempt from local taxation.

Substitute Bill Compared to Original Bill: The original bill included a state credit union in the definition of a bona fide charitable and nonprofit organization for all purposes of the gambling act. Therefore, the credit unions would have been able to conduct bingo operations in the same manner as another nonprofit organization.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: The ability to conduct these types of raffles will enable the credit unions to continue helping the community with the raffle proceeds.

Testimony Against: None.

Testified: PRO: Stacy Augustine, WA Credit Union League; Dennis D. Clinton, Spokane City Credit Union.