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HOUSE BILL 1965

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State of Washington                      56th Legislature                      1999 Regular Session

By Representatives Clements and Cairnes

Read first time 02/12/1999. Referred to Committee on Commerce & Labor.

1            AN ACT Relating to taxation of gross receipts from activities under  
2 chapter 9.46 RCW; amending RCW 9.46.110; and adding a new section to  
3 chapter 9.46 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            NEW SECTION.    **Sec. 1.** A new section is added to chapter 9.46 RCW  
6 to read as follows:

7            "Gross receipts," as used in this chapter except in RCW 9.46.0331  
8 and 9.46.0355, means revenues generated from the operation of games  
9 less the amount awarded as cash or merchandise prizes.

10           **Sec. 2.** RCW 9.46.110 and 1997 c 394 s 4 are each amended to read  
11 as follows:

12           (1) The legislative authority of any county, city-county, city, or  
13 town, by local law and ordinance, and in accordance with the provisions  
14 of this chapter and rules adopted under this chapter, may provide for  
15 the taxing of any gambling activity authorized by this chapter within  
16 its jurisdiction, the tax receipts to go to the county, city-county,  
17 city, or town so taxing the activity. Any such tax imposed by a county  
18 alone shall not apply to any gambling activity within a city or town

1 located in the county but the tax rate established by a county, if any,  
2 shall constitute the tax rate throughout the unincorporated areas of  
3 such county.

4 (2) The operation of punch boards and pull-tabs are subject to the  
5 following conditions:

6 (a) Chances may only be sold to adults;

7 (b) The price of a single chance may not exceed one dollar;

8 (c) No punch board or pull-tab license may award as a prize upon a  
9 winning number or symbol being drawn the opportunity of taking a chance  
10 upon any other punch board or pull-tab;

11 (d) All prizes available to be won must be described on an  
12 information flare. All merchandise prizes must be on display within  
13 the immediate area of the premises in which any such punch board or  
14 pull-tab is located. Upon a winning number or symbol being drawn, a  
15 merchandise prize must be immediately removed from the display and  
16 awarded to the winner. All references to cash or merchandise prizes,  
17 with a value over twenty dollars, must be removed immediately from the  
18 information flare when won, or such omission shall be deemed a fraud  
19 for the purposes of this chapter; and

20 (e) When any person wins money or merchandise from any punch board  
21 or pull-tab over an amount determined by the commission, every licensee  
22 shall keep a public record of the award for at least ninety days  
23 containing such information as the commission shall deem necessary.

24 (3)(a) Taxation of bingo and raffles shall never be in an amount  
25 greater than ten percent of the gross receipts from a bingo game or  
26 raffle (~~((less the amount awarded as cash or merchandise prizes))~~).

27 (b) Taxation of amusement games shall only be in an amount  
28 sufficient to pay the actual costs of enforcement of the provisions of  
29 this chapter by the county, city or town law enforcement agency and in  
30 no event shall such taxation exceed two percent of the gross receipts  
31 from the amusement game (~~((less the amount awarded as prizes))~~).

32 (c) No tax shall be imposed under the authority of this chapter on  
33 bingo or amusement games when such activities or any combination  
34 thereof are conducted by any bona fide charitable or nonprofit  
35 organization as defined in this chapter, which organization has no paid  
36 operating or management personnel and has gross receipts from bingo or  
37 amusement games, or a combination thereof, not exceeding five thousand  
38 dollars per year(~~((, less the amount awarded as cash or merchandise  
39 prizes))~~).

1 (d) No tax shall be imposed on the first ten thousand dollars of  
2 gross receipts (~~((less the amount awarded as cash or merchandise~~  
3 ~~prizes))~~) from raffles conducted by any bona fide charitable or  
4 nonprofit organization as defined in this chapter.

5 (e) Taxation of punch boards and pull-tabs for bona fide charitable  
6 or nonprofit organizations is based on gross receipts from the  
7 operation of the games (~~((less the amount awarded as cash or merchandise~~  
8 ~~prizes,))~~) and shall not exceed a rate of (~~(ten))~~ five percent. (~~(At~~  
9 ~~the option of the county, city-county, city, or town,))~~) The taxation of  
10 punch boards and pull-tabs for commercial stimulant operators may be  
11 based on gross receipts from the operation of the games, and may not  
12 exceed a rate of five percent(~~(, or may be based on gross receipts from~~  
13 ~~the operation of the games less the amount awarded as cash or~~  
14 ~~merchandise prizes, and may not exceed a rate of ten percent))~~).

15 (f) Taxation of social card games may not exceed twenty percent of  
16 the gross revenue from such games.

17 (4) Taxes imposed under this chapter become a lien upon personal  
18 and real property used in the gambling activity in the same manner as  
19 provided for under RCW 84.60.010. The lien shall attach on the date  
20 the tax becomes due and shall relate back and have priority against  
21 real and personal property to the same extent as ad valorem taxes.

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