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SENATE BILL 5573

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State of Washington

57th Legislature

2001 Regular Session

By Senators Snyder and Kohl-Welles

Read first time 01/26/2001. Referred to Committee on Labor, Commerce & Financial Institutions.

1 AN ACT Relating to raffles by student groups and public hospital  
2 districts; amending RCW 9.46.110; adding new sections to chapter 9.46  
3 RCW; adding a new section to chapter 28A.325 RCW; and adding a new  
4 section to chapter 70.44 RCW.

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

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

8 Associated student bodies as defined by RCW 28A.325.020 and student  
9 groups organized by students enrolled in public schools as defined by  
10 RCW 28A.150.010 are considered bona fide or nonprofit organizations  
11 under this chapter and may conduct raffles without obtaining a license  
12 from the gambling commission when:

13 (1) The raffles are held in accordance with all other requirements  
14 of this chapter, other applicable laws, and rules of the gambling  
15 commission;

16 (2) Gross revenues from all the raffles, conducted by an associated  
17 student body or student group does not exceed fifteen thousand dollars  
18 per calendar year or five thousand dollars per raffle;

1 (3) Gross revenues from raffles are devoted solely for the use of  
2 the associated student body or student group and are not used for a  
3 private purpose as referred to in chapter 28A.325 RCW;

4 (4) The associated student body or student group conducting the  
5 raffle maintains for one year from the date of the raffle, records that  
6 accurately show at a minimum the gross revenue from the raffle, details  
7 of the expenses of conducting the raffle, and details of the uses of  
8 the gross revenues.

9 NEW SECTION. **Sec. 2.** A new section is added to chapter 9.46 RCW  
10 to read as follows:

11 Public hospital districts operating under chapter 70.44 RCW are  
12 considered bona fide or nonprofit organizations under this chapter and  
13 may conduct raffles without obtaining a license from the gambling  
14 commission when:

15 (1) The raffles are held in accordance with all other requirements  
16 of this chapter, other applicable laws, and rules of the gambling  
17 commission;

18 (2) Gross revenues from all the raffles conducted by the district  
19 does not exceed fifteen thousand dollars per calendar year or five  
20 thousand dollars per raffle;

21 (3) Gross revenues from raffles are devoted solely for the use of  
22 the hospital district as set forth in RCW 70.44.003 and for the  
23 services and facilities defined in RCW 70.44.007, and are not used for  
24 any private purpose;

25 (4) The hospital district conducting the raffle maintains for one  
26 year from the date of the raffle, records that accurately show at a  
27 minimum the gross revenue from the raffle, details of the expenses of  
28 conducting the raffle, and details of the uses of the gross revenues.

29 **Sec. 3.** RCW 9.46.110 and 1999 c 221 s 1 are each amended to read  
30 as follows:

31 (1) The legislative authority of any county, city-county, city, or  
32 town, by local law and ordinance, and in accordance with the provisions  
33 of this chapter and rules adopted under this chapter, may provide for  
34 the taxing of any gambling activity authorized by this chapter within  
35 its jurisdiction, the tax receipts to go to the county, city-county,  
36 city, or town so taxing the activity. Any such tax imposed by a county  
37 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 five 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 prizes  
3 from raffles conducted by any bona fide charitable or nonprofit  
4 organization as defined in this chapter.

5 (e) Revenue from raffles conducted by associated student bodies or  
6 student groups under section 1 of this act is exempt from taxation  
7 under this chapter.

8 (f) Revenue from raffles conducted by public hospital districts  
9 under section 2 of this act is exempt from taxation under this chapter.

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

20 (~~(f)~~) (h) Taxation of social card games may not exceed twenty  
21 percent of the gross revenue from such games.

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

27 NEW SECTION. Sec. 4. A new section is added to chapter 28A.325  
28 RCW to read as follows:

29 Associated student bodies and student groups organized by students  
30 enrolled in public schools may conduct raffles as permitted by section  
31 1 of this act.

32 NEW SECTION. Sec. 5. A new section is added to chapter 70.44 RCW  
33 to read as follows:

34 Public hospital districts may conduct raffles as permitted by  
35 section 2 of this act.

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