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HOUSE BILL 1944

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State of Washington                      59th Legislature                      2005 Regular Session

By Representatives Hunt and Williams

Read first time 02/11/2005. Referred to Committee on Commerce & Labor.

1            AN ACT Relating to raffles conducted by state employees; amending  
2            RCW 9.46.0209; and adding a new section to chapter 42.52 RCW.

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

4            **Sec. 1.** RCW 9.46.0209 and 2000 c 233 s 1 are each amended to read  
5            as follows:

6            (1)(a) "Bona fide charitable or nonprofit organization," as used in  
7            this chapter, means:

8            ~~((1))~~ (i) Any organization duly existing under the provisions of  
9            chapter 24.12, 24.20, or 24.28 RCW, any agricultural fair authorized  
10           under the provisions of chapters 15.76 or 36.37 RCW, or any nonprofit  
11           corporation duly existing under the provisions of chapter 24.03 RCW for  
12           charitable, benevolent, eleemosynary, educational, civic, patriotic,  
13           political, social, fraternal, athletic or agricultural purposes only,  
14           or any nonprofit organization, whether incorporated or otherwise, when  
15           found by the commission to be organized and operating for one or more  
16           of the aforesaid purposes only, all of which in the opinion of the  
17           commission have been organized and are operated primarily for purposes  
18           other than the operation of gambling activities authorized under this  
19           chapter; or

1        ~~((+2))~~ (ii) Any corporation which has been incorporated under  
2 Title 36 U.S.C. and whose principal purposes are to furnish volunteer  
3 aid to members of the armed forces of the United States and also to  
4 carry on a system of national and international relief and to apply the  
5 same in mitigating the sufferings caused by pestilence, famine, fire,  
6 floods, and other national calamities and to devise and carry on  
7 measures for preventing the same. ~~((Such))~~

8        (b) An organization defined under (a) of this subsection must:

9        (i) Have been organized and continuously operating for at least  
10 twelve calendar months immediately preceding making application for any  
11 license to operate a gambling activity, or the operation of any  
12 gambling activity authorized by this chapter for which no license is  
13 required~~((It must))~~;

14        (ii) Have not less than fifteen bona fide active members each with  
15 the right to an equal vote in the election of the officers, or board  
16 members, if any, who determine the policies of the organization in  
17 order to receive a gambling license~~((An organization must))~~; and

18        (iii) Demonstrate to the commission that it has made significant  
19 progress toward the accomplishment of the purposes of the organization  
20 during the twelve consecutive month period preceding the date of  
21 application for a license or license renewal. The fact that  
22 contributions to an organization do not qualify for charitable  
23 contribution deduction purposes or that the organization is not  
24 otherwise exempt from payment of federal income taxes pursuant to the  
25 internal revenue code of 1954, as amended, shall constitute prima facie  
26 evidence that the organization is not a bona fide charitable or  
27 nonprofit organization for the purposes of this section.

28        (c) Any person, association or organization which pays its  
29 employees, including members, compensation other than is reasonable  
30 therefor under the local prevailing wage scale shall be deemed paying  
31 compensation based in part or whole upon receipts relating to gambling  
32 activities authorized under this chapter and shall not be a bona fide  
33 charitable or nonprofit organization for the purposes of this chapter.

34        (2) For the purposes of RCW 9.46.0315 and 9.46.110, a bona fide  
35 nonprofit organization also includes:

36        (a) A credit union organized and operating under state or federal  
37 law. All revenue less prizes and expenses received from raffles

1 conducted by credit unions must be devoted to purposes authorized under  
2 this section for charitable and nonprofit organizations; and

3 (b) A state agency as "agency" is defined in RCW 42.52.010(1). All  
4 revenue less prizes and expenses received from raffles conducted by  
5 state employees must be devoted to purposes authorized under this  
6 section for charitable and nonprofit organizations.

7 NEW SECTION. Sec. 2. A new section is added to chapter 42.52 RCW  
8 to read as follows:

9 (1) When soliciting gifts, grants, or donations solely to support  
10 the charitable activities of state employees permitted under chapter  
11 9.46 RCW, the state officers and state employees are presumed not to be  
12 in violation of the solicitation and receipt of gift provisions in RCW  
13 42.52.140.

14 (2) For purposes of this section, activities are deemed to be  
15 charitable if the activities are devoted to the purposes authorized  
16 under RCW 9.46.0209 for charitable and nonprofit organizations listed  
17 in that section, or are in support of the activities of those  
18 charitable or nonprofit organizations.

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