
SUBSTITUTE HOUSE BILL 2175

State of Washington 59th Legislature 2005 Regular Session

By House Committee on Commerce & Labor (originally sponsored by Representatives Wood and Conway)

READ FIRST TIME 03/03/05.

1 AN ACT Relating to restrictions on charitable or nonprofit
2 organizations involved in gambling; and amending RCW 9.46.120.

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

4 **Sec. 1.** RCW 9.46.120 and 1997 c 394 s 3 are each amended to read
5 as follows:

6 (1)(a) Except in the case of an agricultural fair as authorized
7 under chapters 15.76 and 36.37 RCW, no person other than a member of a
8 bona fide charitable or nonprofit organization (and their employees) or
9 any other person, association, or organization (and their employees)
10 approved by the commission, shall take any part in the management (~~or~~
11 ~~operation~~) of any gambling activity authorized under this chapter
12 unless approved by the commission. No person who takes any part in the
13 management (~~or~~ ~~operation~~) of any such gambling activity shall take
14 any part in the management or operation of any gambling activity
15 conducted by any other organization or any other branch of the same
16 organization unless approved by the commission. However, no bona fide
17 charitable or nonprofit organization (and their members and employees)
18 that takes any part in the management or ownership of any gambling
19 activity authorized by the commission under RCW 9.46.070(1) may take

1 any part in the management or ownership of any commercial gambling
2 activity authorized by the commission under RCW 9.46.070(2). No part
3 of the proceeds of the activity shall inure to the benefit of any
4 person other than the organization conducting such gambling activities
5 or if such gambling activities be for the charitable benefit of any
6 specific persons designated in the application for a license, then only
7 for such specific persons as so designated.

8 (b) For the purposes of this subsection, "management" includes
9 those activities engaged in by persons who are the highest ranking
10 managers of the charitable or nonprofit organization or by any other
11 person who exercises substantial control over the daily operations of
12 the charitable or nonprofit organization.

13 (2) No bona fide charitable or nonprofit organization or any other
14 person, association or organization shall conduct any gambling activity
15 authorized under this chapter in any leased premises if rental for such
16 premises is unreasonable or to be paid, wholly or partly, on the basis
17 of a percentage of the receipts or profits derived from such gambling
18 activity.

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