
HOUSE BILL 3285

State of Washington 59th Legislature 2006 Regular Session

By Representatives Conway, Chase, Morrell and Wood

Read first time 02/01/2006. Referred to Committee on Finance.

1 AN ACT Relating to raising the exemption for charitable or
2 nonprofit bingo organizations from the gambling tax on bingo and
3 amusement games; and amending RCW 9.46.110.

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

5 **Sec. 1.** RCW 9.46.110 and 1999 c 221 s 1 are each amended to read
6 as follows:

7 (1) The legislative authority of any county, city-county, city, or
8 town, by local law and ordinance, and in accordance with the provisions
9 of this chapter and rules adopted under this chapter, may provide for
10 the taxing of any gambling activity authorized by this chapter within
11 its jurisdiction, the tax receipts to go to the county, city-county,
12 city, or town so taxing the activity. Any such tax imposed by a county
13 alone shall not apply to any gambling activity within a city or town
14 located in the county but the tax rate established by a county, if any,
15 shall constitute the tax rate throughout the unincorporated areas of
16 such county.

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

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

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

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

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

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

18 (3)(a) Taxation of bingo and raffles shall never be in an amount
19 greater than five percent of the gross receipts from a bingo game or
20 raffle less the amount awarded as cash or merchandise prizes.

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

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

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

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

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

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

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