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**SUBSTITUTE SENATE BILL 5994**

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**State of Washington**

**59th Legislature**

**2005 Regular Session**

**By** Senate Committee on Labor, Commerce, Research & Development  
(originally sponsored by Senators Prentice and Rasmussen)

READ FIRST TIME 03/02/05.

1 AN ACT Relating to limiting the location and number of house-banked  
2 card rooms; amending RCW 9.46.295 and 9.46.070; and declaring an  
3 emergency.

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

5 **Sec. 1.** RCW 9.46.295 and 1974 ex.s. c 155 s 6 are each amended to  
6 read as follows:

7 (1) Any license to engage in any of the gambling activities  
8 authorized by this chapter ((as now exists or as hereafter amended)),  
9 and issued under the authority thereof shall be legal authority to  
10 engage in the gambling activities for which issued throughout the  
11 incorporated and unincorporated area of any county, except that: (a)  
12 The commission shall neither issue nor renew any license to engage in  
13 a house-banked card game except in a location specified in a license to  
14 conduct a house-banked card game that, as of February 1, 2005: (i) Is  
15 approved by the commission and is in effect; or (ii) had been submitted  
16 to and has not subsequently been denied by the commission; (b) a  
17 licensee authorized to engage in house-banked card games pursuant to a  
18 license described in (a) of this subsection may continue to engage in  
19 only such gambling activity as is authorized under such license, and

1 with no increase in the number of gambling tables licensed, unless, on  
2 the renewal date of the license, the city, town, city-county, or county  
3 with jurisdiction over the location identified in the license has in  
4 effect an ordinance, resolution, or other legislative act adopted  
5 pursuant to (c) of this subsection prohibiting such gambling activity;  
6 and (c) a city located therein with respect to that city, or a county  
7 with respect to all areas within that county except for such cities,  
8 may absolutely prohibit(~~(, but may not change the scope of license,)~~)  
9 any or all of the gambling activities for which the license was issued.

10 (2) Nothing in this section authorizes any city, town, city-county,  
11 or county to adopt or enforce any ordinance, resolution, or other  
12 legislative act changing or purporting to change any provision within  
13 the scope of a license issued under this chapter.

14 **Sec. 2.** RCW 9.46.070 and 2002 c 119 s 1 are each amended to read  
15 as follows:

16 The commission shall have the following powers and duties:

17 (1) To authorize and issue licenses for a period not to exceed one  
18 year to bona fide charitable or nonprofit organizations approved by the  
19 commission meeting the requirements of this chapter and any rules (~~and~~  
20 ~~regulations~~) adopted pursuant thereto permitting said organizations to  
21 conduct bingo games, raffles, amusement games, and social card games,  
22 to utilize punch boards and pull-tabs in accordance with the provisions  
23 of this chapter and any rules (~~and regulations~~) adopted pursuant  
24 thereto and to revoke or suspend said licenses for violation of any  
25 provisions of this chapter or any rules (~~and regulations~~) adopted  
26 pursuant thereto(~~(: PROVIDED, That)~~). However, except as provided in  
27 RCW 9.46.295, the commission shall not deny a license to an otherwise  
28 qualified applicant in an effort to limit the number of licenses to be  
29 issued(~~(: PROVIDED FURTHER, That)~~). The commission or director shall  
30 not issue, deny, suspend, or revoke any license because of  
31 considerations of race, sex, creed, color, or national origin(~~(: AND~~  
32 ~~PROVIDED FURTHER, That)~~). The commission may authorize the director to  
33 temporarily issue or suspend licenses subject to final action by the  
34 commission;

35 (2) To authorize and issue licenses for a period not to exceed one  
36 year to any person, association, or organization operating a business  
37 primarily engaged in the selling of items of food or drink for

1 consumption on the premises, approved by the commission meeting the  
2 requirements of this chapter and any rules (~~and regulations~~) adopted  
3 pursuant thereto permitting said person, association, or organization  
4 to utilize punch boards and pull-tabs and to conduct social card games  
5 as a commercial stimulant in accordance with the provisions of this  
6 chapter and any rules (~~and regulations~~) adopted pursuant thereto and  
7 to revoke or suspend said licenses for violation of any provisions of  
8 this chapter and any rules (~~and regulations~~) adopted pursuant  
9 thereto(~~PROVIDED, That~~). However, except as provided in RCW  
10 9.46.295, the commission shall not deny a license to an otherwise  
11 qualified applicant in an effort to limit the number of licenses to be  
12 issued(~~PROVIDED FURTHER, That~~). The commission may authorize the  
13 director to temporarily issue or suspend licenses subject to final  
14 action by the commission;

15 (3) To authorize and issue licenses for a period not to exceed one  
16 year to any person, association, or organization approved by the  
17 commission meeting the requirements of this chapter and meeting the  
18 requirements of any rules and regulations adopted by the commission  
19 pursuant to this chapter as now or hereafter amended, permitting said  
20 person, association, or organization to conduct or operate amusement  
21 games in such manner and at such locations as the commission may  
22 determine;

23 (4) To authorize, require, and issue, for a period not to exceed  
24 one year, such licenses as the commission may by rule provide, to any  
25 person, association, or organization to engage in the selling,  
26 distributing, or otherwise supplying or in the manufacturing of devices  
27 for use within this state for those activities authorized by this  
28 chapter;

29 (5) To establish a schedule of annual license fees for carrying on  
30 specific gambling activities upon the premises, and for such other  
31 activities as may be licensed by the commission, which fees shall  
32 provide to the commission not less than an amount of money adequate to  
33 cover all costs incurred by the commission relative to licensing under  
34 this chapter and the enforcement by the commission of the provisions of  
35 this chapter and rules and regulations adopted pursuant thereto:  
36 PROVIDED, That all licensing fees shall be submitted with an  
37 application therefor and such portion of said fee as the commission may  
38 determine, based upon its cost of processing and investigation, shall

1 be retained by the commission upon the withdrawal or denial of any such  
2 license application as its reasonable expense for processing the  
3 application and investigation into the granting thereof: PROVIDED  
4 FURTHER, That if in a particular case the basic license fee established  
5 by the commission for a particular class of license is less than the  
6 commission's actual expenses to investigate that particular  
7 application, the commission may at any time charge to that applicant  
8 such additional fees as are necessary to pay the commission for those  
9 costs. The commission may decline to proceed with its investigation  
10 and no license shall be issued until the commission has been fully paid  
11 therefor by the applicant: AND PROVIDED FURTHER, That the commission  
12 may establish fees for the furnishing by it to licensees of  
13 identification stamps to be affixed to such devices and equipment as  
14 required by the commission and for such other special services or  
15 programs required or offered by the commission, the amount of each of  
16 these fees to be not less than is adequate to offset the cost to the  
17 commission of the stamps and of administering their dispersal to  
18 licensees or the cost of administering such other special services,  
19 requirements or programs;

20 (6) To prescribe the manner and method of payment of taxes, fees  
21 and penalties to be paid to or collected by the commission;

22 (7) To require that applications for all licenses contain such  
23 information as may be required by the commission: PROVIDED, That all  
24 persons (a) having a managerial or ownership interest in any gambling  
25 activity, or the building in which any gambling activity occurs, or the  
26 equipment to be used for any gambling activity, or (b) participating as  
27 an employee in the operation of any gambling activity, shall be listed  
28 on the application for the license and the applicant shall certify on  
29 the application, under oath, that the persons named on the application  
30 are all of the persons known to have an interest in any gambling  
31 activity, building, or equipment by the person making such application:  
32 PROVIDED FURTHER, That the commission shall require fingerprinting and  
33 national criminal history background checks on any persons seeking  
34 licenses, certifications, or permits under this chapter or of any  
35 person holding an interest in any gambling activity, building, or  
36 equipment to be used therefor, or of any person participating as an  
37 employee in the operation of any gambling activity. All national  
38 criminal history background checks shall be conducted using

1 fingerprints submitted to the United States department of justice-  
2 federal bureau of investigation. The commission must establish rules  
3 to delineate which persons named on the application are subject to  
4 national criminal history background checks. In identifying these  
5 persons, the commission must take into consideration the nature,  
6 character, size, and scope of the gambling activities requested by the  
7 persons making such applications;

8 (8) To require that any license holder maintain records as directed  
9 by the commission and submit such reports as the commission may deem  
10 necessary;

11 (9) To require that all income from bingo games, raffles, and  
12 amusement games be recorded and reported as established by rule or  
13 regulation of the commission to the extent deemed necessary by  
14 considering the scope and character of the gambling activity in such a  
15 manner that will disclose gross income from any gambling activity,  
16 amounts received from each player, the nature and value of prizes, and  
17 the fact of distributions of such prizes to the winners thereof;

18 (10) To regulate and establish maximum limitations on income  
19 derived from bingo. In establishing limitations pursuant to this  
20 subsection the commission shall take into account (i) the nature,  
21 character, and scope of the activities of the licensee; (ii) the source  
22 of all other income of the licensee; and (iii) the percentage or extent  
23 to which income derived from bingo is used for charitable, as  
24 distinguished from nonprofit, purposes. However, the commission's  
25 powers and duties granted by this subsection are discretionary and not  
26 mandatory;

27 (11) To regulate and establish the type and scope of and manner of  
28 conducting the gambling activities authorized by this chapter,  
29 including but not limited to, the extent of wager, money, or other  
30 thing of value which may be wagered or contributed or won by a player  
31 in any such activities;

32 (12) To regulate the collection of and the accounting for the fee  
33 which may be imposed by an organization, corporation, or person  
34 licensed to conduct a social card game on a person desiring to become  
35 a player in a social card game in accordance with RCW 9.46.0282;

36 (13) To cooperate with and secure the cooperation of county, city,  
37 and other local or state agencies in investigating any matter within  
38 the scope of its duties and responsibilities;

1 (14) In accordance with RCW 9.46.080, to adopt such rules and  
2 regulations as are deemed necessary to carry out the purposes and  
3 provisions of this chapter. All rules and regulations shall be adopted  
4 pursuant to the administrative procedure act, chapter 34.05 RCW;

5 (15) To set forth for the perusal of counties, city-counties,  
6 cities and towns, model ordinances by which any legislative authority  
7 thereof may enter into the taxing of any gambling activity authorized  
8 by this chapter;

9 (16) To establish and regulate a maximum limit on salaries or wages  
10 which may be paid to persons employed in connection with activities  
11 conducted by bona fide charitable or nonprofit organizations and  
12 authorized by this chapter, where payment of such persons is allowed,  
13 and to regulate and establish maximum limits for other expenses in  
14 connection with such authorized activities, including but not limited  
15 to rent or lease payments. However, the commissioner's powers and  
16 duties granted by this subsection are discretionary and not mandatory.

17 In establishing these maximum limits the commission shall take into  
18 account the amount of income received, or expected to be received, from  
19 the class of activities to which the limits will apply and the amount  
20 of money the games could generate for authorized charitable or  
21 nonprofit purposes absent such expenses. The commission may also take  
22 into account, in its discretion, other factors, including but not  
23 limited to, the local prevailing wage scale and whether charitable  
24 purposes are benefited by the activities;

25 (17) To authorize, require, and issue for a period not to exceed  
26 one year such licenses or permits, for which the commission may by rule  
27 provide, to any person to work for any operator of any gambling  
28 activity authorized by this chapter in connection with that activity,  
29 or any manufacturer, supplier, or distributor of devices for those  
30 activities in connection with such business. The commission shall not  
31 require that persons working solely as volunteers in an authorized  
32 activity conducted by a bona fide charitable or bona fide nonprofit  
33 organization, who receive no compensation of any kind for any purpose  
34 from that organization, and who have no managerial or supervisory  
35 responsibility in connection with that activity, be licensed to do such  
36 work. The commission may require that licensees employing such  
37 unlicensed volunteers submit to the commission periodically a list of  
38 the names, addresses, and dates of birth of the volunteers. If any

1 volunteer is not approved by the commission, the commission may require  
2 that the licensee not allow that person to work in connection with the  
3 licensed activity;

4 (18) To publish and make available at the office of the commission  
5 or elsewhere to anyone requesting it a list of the commission  
6 licensees, including the name, address, type of license, and license  
7 number of each licensee;

8 (19) To establish guidelines for determining what constitutes  
9 active membership in bona fide nonprofit or charitable organizations  
10 for the purposes of this chapter; and

11 (20) To perform all other matters and things necessary to carry out  
12 the purposes and provisions of this chapter.

13 NEW SECTION. **Sec. 3.** This act is necessary for the immediate  
14 preservation of the public peace, health, or safety, or support of the  
15 state government and its existing public institutions, and takes effect  
16 immediately.

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