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**SUBSTITUTE SENATE BILL 6057**

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**State of Washington**

**59th Legislature**

**2005 Regular Session**

**By** Senate Committee on Labor, Commerce, Research & Development  
(originally sponsored by Senators Fairley and Kohl-Welles)

READ FIRST TIME 03/02/05.

1       AN ACT Relating to gambling commission reporting on social card  
2 room financial activity; amending RCW 9.46.070; and declaring an  
3 emergency.

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

5       **Sec. 1.** RCW 9.46.070 and 2002 c 119 s 1 are each amended to read  
6 as follows:

7       The commission (~~(shall have)~~) has the following powers and duties:

8       (1) To authorize and issue licenses for a period not to exceed one  
9 year to bona fide charitable or nonprofit organizations approved by the  
10 commission meeting the requirements of this chapter and any rules and  
11 regulations adopted pursuant thereto permitting said organizations to  
12 conduct bingo games, raffles, amusement games, and social card games,  
13 to utilize punch boards and pull-tabs in accordance with the provisions  
14 of this chapter and any rules and regulations adopted pursuant thereto  
15 and to revoke or suspend said licenses for violation of any provisions  
16 of this chapter or any rules and regulations adopted pursuant thereto:  
17 PROVIDED, That the commission shall not deny a license to an otherwise  
18 qualified applicant in an effort to limit the number of licenses to be  
19 issued: PROVIDED FURTHER, That the commission or director shall not

1 issue, deny, suspend, or revoke any license because of considerations  
2 of race, sex, creed, color, or national origin: AND PROVIDED FURTHER,  
3 That the commission may authorize the director to temporarily issue or  
4 suspend licenses subject to final action by the commission;

5 (2) To authorize and issue licenses for a period not to exceed one  
6 year to any person, association, or organization operating a business  
7 primarily engaged in the selling of items of food or drink for  
8 consumption on the premises, approved by the commission meeting the  
9 requirements of this chapter and any rules and regulations adopted  
10 pursuant thereto permitting said person, association, or organization  
11 to utilize punch boards and pull-tabs and to conduct social card games  
12 as a commercial stimulant in accordance with the provisions of this  
13 chapter and any rules and regulations adopted pursuant thereto and to  
14 revoke or suspend said licenses for violation of any provisions of this  
15 chapter and any rules and regulations adopted pursuant thereto:  
16 PROVIDED, That the commission shall not deny a license to an otherwise  
17 qualified applicant in an effort to limit the number of licenses to be  
18 issued: PROVIDED FURTHER, That the commission may authorize the  
19 director to temporarily issue or suspend licenses subject to final  
20 action by the commission;

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

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

35 (5) To establish a schedule of annual license fees for carrying on  
36 specific gambling activities upon the premises, and for such other  
37 activities as may be licensed by the commission, which fees shall  
38 provide to the commission not less than an amount of money adequate to

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

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

28 (7) To require that applications for all licenses contain such  
29 information as may be required by the commission: PROVIDED, That all  
30 persons (a) having a managerial or ownership interest in any gambling  
31 activity, or the building in which any gambling activity occurs, or the  
32 equipment to be used for any gambling activity, or (b) participating as  
33 an employee in the operation of any gambling activity, shall be listed  
34 on the application for the license and the applicant shall certify on  
35 the application, under oath, that the persons named on the application  
36 are all of the persons known to have an interest in any gambling  
37 activity, building, or equipment by the person making such application:  
38 PROVIDED FURTHER, That the commission shall require fingerprinting and

1 national criminal history background checks on any persons seeking  
2 licenses, certifications, or permits under this chapter or of any  
3 person holding an interest in any gambling activity, building, or  
4 equipment to be used therefor, or of any person participating as an  
5 employee in the operation of any gambling activity. All national  
6 criminal history background checks shall be conducted using  
7 fingerprints submitted to the United States department of justice-  
8 federal bureau of investigation. The commission must establish rules  
9 to delineate which persons named on the application are subject to  
10 national criminal history background checks. In identifying these  
11 persons, the commission must take into consideration the nature,  
12 character, size, and scope of the gambling activities requested by the  
13 persons making such applications;

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

17 (9) To require all social card game licensees reporting gross  
18 receipts to submit financial information on a quarterly basis,  
19 including, but not limited to: Gross gambling receipts; prizes; net  
20 gambling receipts; donated prizes; total expenses; a detailed list of  
21 expenses, including wages paid for gambling activities; and net  
22 gambling income. The commission shall provide licensees with a report  
23 form, with instructions, to submit information required under this  
24 subsection;

25 (10) To require that all income from bingo games, raffles, and  
26 amusement games be recorded and reported as established by rule or  
27 regulation of the commission to the extent deemed necessary by  
28 considering the scope and character of the gambling activity in such a  
29 manner that will disclose gross income from any gambling activity,  
30 amounts received from each player, the nature and value of prizes, and  
31 the fact of distributions of such prizes to the winners thereof;

32 ((+10+)) (11) To regulate and establish maximum limitations on  
33 income derived from bingo. In establishing limitations pursuant to  
34 this subsection the commission shall take into account (i) the nature,  
35 character, and scope of the activities of the licensee; (ii) the source  
36 of all other income of the licensee; and (iii) the percentage or extent  
37 to which income derived from bingo is used for charitable, as

1 distinguished from nonprofit, purposes. However, the commission's  
2 powers and duties granted by this subsection are discretionary and not  
3 mandatory;

4 ~~((+11+))~~ (12) To regulate and establish the type and scope of and  
5 manner of conducting the gambling activities authorized by this  
6 chapter, including but not limited to, the extent of wager, money, or  
7 other thing of value which may be wagered or contributed or won by a  
8 player in any such activities;

9 ~~((+12+))~~ (13) To regulate the collection of and the accounting for  
10 the fee which may be imposed by an organization, corporation, or person  
11 licensed to conduct a social card game on a person desiring to become  
12 a player in a social card game in accordance with RCW 9.46.0282;

13 ~~((+13+))~~ (14) To cooperate with and secure the cooperation of  
14 county, city, and other local or state agencies in investigating any  
15 matter within the scope of its duties and responsibilities;

16 ~~((+14+))~~ (15) In accordance with RCW 9.46.080, to adopt such rules  
17 and regulations as are deemed necessary to carry out the purposes and  
18 provisions of this chapter. All rules and regulations shall be adopted  
19 pursuant to the administrative procedure act, chapter 34.05 RCW;

20 ~~((+15+))~~ (16) To set forth for the perusal of counties, city-  
21 counties, cities and towns, model ordinances by which any legislative  
22 authority thereof may enter into the taxing of any gambling activity  
23 authorized by this chapter;

24 ~~((+16+))~~ (17) To establish and regulate a maximum limit on salaries  
25 or wages which may be paid to persons employed in connection with  
26 activities conducted by bona fide charitable or nonprofit organizations  
27 and authorized by this chapter, where payment of such persons is  
28 allowed, and to regulate and establish maximum limits for other  
29 expenses in connection with such authorized activities, including but  
30 not limited to rent or lease payments. However, the commissioner's  
31 powers and duties granted by this subsection are discretionary and not  
32 mandatory.

33 In establishing these maximum limits the commission shall take into  
34 account the amount of income received, or expected to be received, from  
35 the class of activities to which the limits will apply and the amount  
36 of money the games could generate for authorized charitable or  
37 nonprofit purposes absent such expenses. The commission may also take

1 into account, in its discretion, other factors, including but not  
2 limited to, the local prevailing wage scale and whether charitable  
3 purposes are benefited by the activities;

4 ~~((+17+))~~ (18) To authorize, require, and issue for a period not to  
5 exceed one year such licenses or permits, for which the commission may  
6 by rule provide, to any person to work for any operator of any gambling  
7 activity authorized by this chapter in connection with that activity,  
8 or any manufacturer, supplier, or distributor of devices for those  
9 activities in connection with such business. The commission shall not  
10 require that persons working solely as volunteers in an authorized  
11 activity conducted by a bona fide charitable or bona fide nonprofit  
12 organization, who receive no compensation of any kind for any purpose  
13 from that organization, and who have no managerial or supervisory  
14 responsibility in connection with that activity, be licensed to do such  
15 work. The commission may require that licensees employing such  
16 unlicensed volunteers submit to the commission periodically a list of  
17 the names, addresses, and dates of birth of the volunteers. If any  
18 volunteer is not approved by the commission, the commission may require  
19 that the licensee not allow that person to work in connection with the  
20 licensed activity;

21 ~~((+18+))~~ (19) To publish and make available at the office of the  
22 commission or elsewhere to anyone requesting it a list of the  
23 commission licensees, including the name, address, type of license, and  
24 license number of each licensee;

25 ~~((+19+))~~ (20) To publish on-line and make available to the public,  
26 on a quarterly basis, a list of the social card room licensees,  
27 including the licensee's name, city, county, license issue number, and  
28 data submitted to the commission regarding gross receipts, special  
29 prizes, net receipts, wages paid related to gambling activity, reported  
30 paid local tax on social card rooms, other gambling expenses, net  
31 gambling income, and net gambling income's percent of gross receipts;

32 (21) To establish guidelines for determining what constitutes  
33 active membership in bona fide nonprofit or charitable organizations  
34 for the purposes of this chapter; and

35 ~~((+20+))~~ (22) To perform all other matters and things necessary to  
36 carry out the purposes and provisions of this chapter.

1        NEW SECTION.   **Sec. 2.**   This act is necessary for the immediate  
2   preservation of the public peace, health, or safety, or support of the  
3   state government and its existing public institutions, and takes effect  
4   immediately.

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