
SUBSTITUTE SENATE BILL 6523

State of Washington

59th Legislature

2006 Regular Session

By Senate Committee on Labor, Commerce, Research & Development
(originally sponsored by Senators Kohl-Welles, Hargrove, Benson,
Roach, Fairley, Rasmussen and Kline)

READ FIRST TIME 02/03/06.

1 AN ACT Relating to increasing the minimum age for gambling;
2 amending RCW 9.46.110, 9.46.0321, and 82.04.285; adding a new section
3 to chapter 9.46 RCW; repealing RCW 9.46.0201 and 9.46.0331; and
4 prescribing penalties.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 9.46 RCW
7 to read as follows:

8 (1) It is unlawful for a person under the age of twenty-one to
9 engage in the wagering activities allowed by this chapter when such
10 activities are conducted in any portion of a facility under the
11 ownership or management control of the holder of a license issued by
12 the liquor control board if: (a) Alcohol for on-site consumption is
13 sold anywhere in the facility; or (b) the on-site consumption of
14 alcohol is allowed anywhere in the facility. A violation of this
15 subsection is a misdemeanor.

16 (2) It is unlawful for any person twenty-one years of age or older
17 to assist, participate with, or knowingly allow a person under the age
18 of twenty-one years to engage in any wagering activity allowed by this
19 chapter when such activities are conducted in any portion of a facility

1 under the ownership or management control of the holder of a license
2 issued by the liquor control board if: (a) Alcohol for on-site
3 consumption is sold anywhere in the facility; or (b) the on-site
4 consumption of alcohol is allowed anywhere in the facility. A
5 violation of this subsection is a gross misdemeanor.

6 **Sec. 2.** RCW 9.46.110 and 1999 c 221 s 1 are each amended to read
7 as follows:

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

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

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

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

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

25 (d) All prizes available to be won must be described on an
26 information flare. All merchandise prizes must be on display within
27 the immediate area of the premises in which any such punch board or
28 pull-tab is located. Upon a winning number or symbol being drawn, a
29 merchandise prize must be immediately removed from the display and
30 awarded to the winner. All references to cash or merchandise prizes,
31 with a value over twenty dollars, must be removed immediately from the
32 information flare when won, or such omission shall be deemed a fraud
33 for the purposes of this chapter; and

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

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

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

9 ~~(e))~~ No tax shall be imposed under the authority of this chapter
10 on bingo or amusement games when such activities or any combination
11 thereof are conducted by any bona fide charitable or nonprofit
12 organization as defined in this chapter, which organization has no paid
13 operating or management personnel and has gross receipts from bingo or
14 amusement games, or a combination thereof, not exceeding five thousand
15 dollars per year, less the amount awarded as cash or merchandise
16 prizes.

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

21 ~~((e))~~ (d) Taxation of punch boards and pull-tabs for bona fide
22 charitable or nonprofit organizations is based on gross receipts from
23 the operation of the games less the amount awarded as cash or
24 merchandise prizes, and shall not exceed a rate of ten percent. At the
25 option of the county, city-county, city, or town, the taxation of punch
26 boards and pull-tabs for commercial stimulant operators may be based on
27 gross receipts from the operation of the games, and may not exceed a
28 rate of five percent, or may be based on gross receipts from the
29 operation of the games less the amount awarded as cash or merchandise
30 prizes, and may not exceed a rate of ten percent.

31 ~~((f))~~ (e) Taxation of social card games may not exceed twenty
32 percent of the gross revenue from such games.

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

1 **Sec. 3.** RCW 9.46.0321 and 1987 c 4 s 28 are each amended to read
2 as follows:

3 Bona fide charitable or bona fide nonprofit organizations organized
4 primarily for purposes other than the conduct of such activities are
5 hereby authorized to conduct bingo(~~()~~) and raffles(~~(—and—amusement~~
6 ~~games~~()~~)~~) without obtaining a license to do so from the commission but
7 only when:

8 (1) Such activities are held in accordance with all other
9 requirements of this chapter, other applicable laws, and rules of the
10 commission;

11 (2) Said activities are, alone or in any combination, conducted no
12 more than twice each calendar year and over a period of no more than
13 twelve consecutive days each time, notwithstanding the limitations of
14 RCW 9.46.0205: PROVIDED, That a raffle conducted under this subsection
15 may be conducted for a period longer than twelve days;

16 (3) Only bona fide members of that organization, who are not paid
17 for such services, participate in the management or operation of the
18 activities;

19 (4) Gross revenues to the organization from all the activities
20 together do not exceed five thousand dollars during any calendar year;

21 (5) All revenue therefrom, after deducting the cost of prizes and
22 other expenses of the activity, is devoted solely to the purposes for
23 which the organization qualifies as a bona fide charitable or nonprofit
24 organization;

25 (6) The organization gives notice at least five days in advance of
26 the conduct of any of the activities to the local police agency of the
27 jurisdiction within which the activities are to be conducted of the
28 organization's intent to conduct the activities, the location of the
29 activities, and the date or dates they will be conducted; and

30 (7) The organization conducting the activities maintains records
31 for a period of one year from the date of the event which accurately
32 show at a minimum the gross revenue from each activity, details of the
33 expenses of conducting the activities, and details of the uses to which
34 the gross revenue therefrom is put.

35 **Sec. 4.** RCW 82.04.285 and 2005 c 369 s 5 are each amended to read
36 as follows:

37 (1) Upon every person engaging within this state in the business of

1 operating contests of chance; as to such persons, the amount of tax
2 with respect to the business of operating contests of chance is equal
3 to the gross income of the business derived from contests of chance
4 multiplied by the rate of 1.5 percent.

5 (2) An additional tax is imposed on those persons subject to tax in
6 subsection (1) of this section. The amount of the additional tax with
7 respect to the business of operating contests of chance is equal to the
8 gross income of the business derived from contests of chance multiplied
9 by the rate of 0.1 percent through June 30, 2006, and 0.13 percent
10 thereafter. The money collected under this subsection (2) shall be
11 deposited in the problem gambling account created in RCW 43.20A.892.
12 This subsection does not apply to businesses operating contests of
13 chance when the gross income from the operation of contests of chance
14 is less than fifty thousand dollars per year.

15 (3) For the purpose of this section, "contests of chance" means any
16 contests, games, gaming schemes, or gaming devices, other than the
17 state lottery as defined in RCW 67.70.010, in which the outcome depends
18 in a material degree upon an element of chance, notwithstanding that
19 skill of the contestants may also be a factor in the outcome. The term
20 includes social card games, bingo, raffle, and punchboard games, and
21 pull-tabs as defined in chapter 9.46 RCW. The term does not include
22 race meets for the conduct of which a license must be secured from the
23 Washington horse racing commission(~~(, or "amusement game" as defined in~~
24 ~~RCW 9.46.0201)~~)).

25 (4) "Gross income of the business" does not include the monetary
26 value or actual cost of any prizes that are awarded, amounts paid to
27 players for winning wagers, accrual of prizes for progressive jackpot
28 contests, or repayment of amounts used to seed guaranteed progressive
29 jackpot prizes.

30 NEW SECTION. **Sec. 5.** The following acts or parts of acts are each
31 repealed:

- 32 (1) RCW 9.46.0201 ("Amusement game") and 1987 c 4 s 2; and
33 (2) RCW 9.46.0331 (Amusement games authorized--Minimum rules) and
34 1991 c 287 s 1 & 1987 c 4 s 30.

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