
SENATE BILL 5645

State of Washington

61st Legislature

2009 Regular Session

By Senators Parlette and Kohl-Welles

Read first time 01/28/09. Referred to Committee on Labor, Commerce & Consumer Protection.

1 AN ACT Relating to designating counties, cities, and towns as bona
2 fide nonprofit organizations under certain terms and conditions; and
3 amending RCW 9.46.0209.

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

5 **Sec. 1.** RCW 9.46.0209 and 2007 c 452 s 1 are each amended to read
6 as follows:

7 (1)(a) "Bona fide charitable or nonprofit organization," as used in
8 this chapter, means:

9 (i) Any organization duly existing under the provisions of chapter
10 24.12, 24.20, or 24.28 RCW, any agricultural fair authorized under the
11 provisions of chapter(~~s~~) 15.76 or 36.37 RCW, or any nonprofit
12 corporation duly existing under the provisions of chapter 24.03 RCW for
13 charitable, benevolent, eleemosynary, educational, civic, patriotic,
14 political, social, fraternal, athletic or agricultural purposes only,
15 or any nonprofit organization, whether incorporated or otherwise, when
16 found by the commission to be organized and operating for one or more
17 of the aforesaid purposes only, all of which in the opinion of the
18 commission have been organized and are operated primarily for purposes

1 other than the operation of gambling activities authorized under this
2 chapter; or

3 (ii) Any corporation which has been incorporated under Title 36
4 U.S.C. and whose principal purposes are to furnish volunteer aid to
5 members of the armed forces of the United States and also to carry on
6 a system of national and international relief and to apply the same in
7 mitigating the sufferings caused by pestilence, famine, fire, floods,
8 and other national calamities and to devise and carry on measures for
9 preventing the same.

10 (b) An organization defined under (a) of this subsection must:

11 (i) Have been organized and continuously operating for at least
12 twelve calendar months immediately preceding making application for any
13 license to operate a gambling activity, or the operation of any
14 gambling activity authorized by this chapter for which no license is
15 required;

16 (ii) Have not less than fifteen bona fide active members each with
17 the right to an equal vote in the election of the officers, or board
18 members, if any, who determine the policies of the organization in
19 order to receive a gambling license; and

20 (iii) Demonstrate to the commission that it has made significant
21 progress toward the accomplishment of the purposes of the organization
22 during the twelve consecutive month period preceding the date of
23 application for a license or license renewal. The fact that
24 contributions to an organization do not qualify for charitable
25 contribution deduction purposes or that the organization is not
26 otherwise exempt from payment of federal income taxes pursuant to the
27 internal revenue code of 1954, as amended, shall constitute prima facie
28 evidence that the organization is not a bona fide charitable or
29 nonprofit organization for the purposes of this section.

30 (c) Any person, association or organization which pays its
31 employees, including members, compensation other than is reasonable
32 therefor under the local prevailing wage scale shall be deemed paying
33 compensation based in part or whole upon receipts relating to gambling
34 activities authorized under this chapter and shall not be a bona fide
35 charitable or nonprofit organization for the purposes of this chapter.

36 (2) For the purposes of RCW 9.46.0315 and 9.46.110, a bona fide
37 nonprofit organization also includes:

1 (a) A credit union organized and operating under state or federal
2 law. All revenue less prizes and expenses received from raffles
3 conducted by credit unions must be devoted to purposes authorized under
4 this section for charitable and nonprofit organizations; and

5 (b) A group of executive branch state employees that:

6 (i) Has requested and received revocable approval from the agency's
7 chief executive official, or such official's designee, to conduct one
8 or more raffles in compliance with this section;

9 (ii) Conducts a raffle solely to raise funds for either the state
10 combined fund drive, created under RCW 41.04.033; an entity approved to
11 receive funds from the state combined fund drive; or a charitable or
12 benevolent entity, including but not limited to a person or family in
13 need, as determined by a majority vote of the approved group of
14 employees. No person or other entity may receive compensation in any
15 form from the group for services rendered in support of this purpose;

16 (iii) Promptly provides such information about the group's
17 receipts, expenditures, and other activities as the agency's chief
18 executive official or designee may periodically require, and otherwise
19 complies with this section and RCW 9.46.0315; and

20 (iv) Limits the participation in the raffle such that raffle
21 tickets are sold only to, and winners are determined only from, the
22 employees of the agency.

23 (3) For the purposes of RCW 9.46.0277, a bona fide nonprofit
24 organization also includes a county, city, or town. However, all
25 revenue less prizes and expenses from raffles conducted by the county,
26 city, or town must be used for community activities or tourism
27 promotion activities.

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