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HOUSE BILL 1295

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State of Washington

63rd Legislature

2013 Regular Session

By Representatives Hunt, Rodne, Hurst, Wilcox, Appleton, Zeiger, Moscoso, and McCoy

Read first time 01/22/13. Referred to Committee on Government Accountability & Oversight.

1 AN ACT Relating to modifying the powers and duties of the gambling  
2 commission; amending RCW 9.46.010 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 9.46.010 and 1996 c 101 s 2 are each amended to read  
6 as follows:

7 (1) The public policy of the state of Washington on gambling is to  
8 keep the criminal element out of gambling and to promote the social  
9 welfare of the people by limiting the nature and scope of gambling  
10 activities and by strict regulation and control.

11 (2) It is hereby declared to be the policy of the legislature,  
12 recognizing the close relationship between professional gambling and  
13 organized crime, to restrain all persons from seeking profit from  
14 professional gambling activities in this state; to restrain all persons  
15 from patronizing such professional gambling activities; to safeguard  
16 the public against the evils induced by common gamblers and common  
17 gambling houses engaged in professional gambling; and at the same time,  
18 both to preserve the freedom of the press and to avoid restricting  
19 participation by individuals in activities and social pastimes, which

1 activities and social pastimes are more for amusement rather than for  
2 profit, do not maliciously affect the public, and do not breach the  
3 peace.

4 (3) The legislature further declares that the raising of funds for  
5 the promotion of bona fide charitable or nonprofit organizations is in  
6 the public interest as is participation in such activities and social  
7 pastimes as are hereinafter in this chapter authorized.

8 (4) The legislature further declares that the conducting of bingo,  
9 raffles, and amusement games and the operation of punchboards, pull-  
10 tabs, card games and other social pastimes, when conducted pursuant to  
11 the provisions of this chapter and any rules and regulations adopted  
12 pursuant thereto, are hereby authorized, as are only such lotteries for  
13 which no valuable consideration has been paid or agreed to be paid as  
14 hereinafter in this chapter provided.

15 (5) The legislature further declares that fishing derbies (~~shall~~)  
16 do not constitute any form of gambling and (~~shall~~) are not (~~be~~)  
17 considered (~~as~~) a lottery, a raffle, or an amusement game and  
18 (~~shall~~) are not (~~be~~) subject to the provisions of this chapter or  
19 any rules and regulations adopted hereunder.

20 (6) The legislature further declares that raffles authorized by the  
21 fish and wildlife commission involving hunting big game animals or wild  
22 turkeys (~~shall~~) are not (~~be~~) subject to the provisions of this  
23 chapter or any rules and regulations adopted hereunder, with the  
24 exception of this section and RCW 9.46.400.

25 (7) All factors incident to the activities authorized in this  
26 chapter (~~shall~~) must be closely controlled, and the provisions of  
27 this chapter (~~shall~~) must be liberally construed to achieve such end.

28 (8) The legislature further declares that in order to further the  
29 policy aims of this chapter, the legislature retains sole authority for  
30 approval of any expansion or enhancement of the scope and manner of  
31 approved gambling activities, and any increase in the maximum wager,  
32 money, or other thing of value that may be wagered or contributed by a  
33 player in any gambling activities subject to this chapter.

34 **Sec. 2.** RCW 9.46.070 and 2012 c 116 s 1 are each amended to read  
35 as follows:

36 The commission (~~shall have~~) has the following powers and duties.  
37 However, it is the sole authority of the legislature to approve any

1 expansion or enhancement in the scope or manner of gaming activities  
2 approved in this chapter as well as any increase in the extent of  
3 wager, money, or other thing of value which may be wagered or  
4 contributed by a player in any such approved activities:

5 (1) To authorize and issue licenses for a period not to exceed one  
6 year to bona fide charitable or nonprofit organizations approved by the  
7 commission meeting the requirements of this chapter and any rules and  
8 regulations adopted pursuant thereto permitting said organizations to  
9 conduct bingo games, raffles, amusement games, and social card games,  
10 to utilize punchboards and pull-tabs in accordance with the provisions  
11 of this chapter and any rules and regulations adopted pursuant thereto  
12 and to revoke or suspend (~~said~~) such licenses for violation of any  
13 provisions of this chapter or any rules and regulations adopted  
14 pursuant thereto(~~(:—PROVIDED, That)~~). However, the commission  
15 (~~shall~~) must not deny a license to an otherwise qualified applicant  
16 in an effort to limit the number of licenses to be issued(~~(:—PROVIDED~~  
17 ~~FURTHER, That)~~) and the commission or director (~~shall~~) may not issue,  
18 deny, suspend, or revoke any license because of considerations of race,  
19 sex, creed, color, or national origin(~~(:—AND PROVIDED FURTHER, That)~~);  
20 although the commission may authorize the director to temporarily issue  
21 or suspend licenses subject to final action by the commission;

22 (2) To authorize and issue licenses for a period not to exceed one  
23 year to any person, association, or organization operating a business  
24 primarily engaged in the selling of items of food or drink for  
25 consumption on the premises, approved by the commission meeting the  
26 requirements of this chapter and any rules and regulations adopted  
27 pursuant thereto permitting said person, association, or organization  
28 to utilize punchboards and pull-tabs and to conduct social card games  
29 as a commercial stimulant in accordance with the provisions of this  
30 chapter and any rules and regulations adopted pursuant thereto and to  
31 revoke or suspend (~~said~~) such licenses for violation of any  
32 provisions of this chapter and any rules and regulations adopted  
33 pursuant thereto(~~(:—PROVIDED, That)~~). However, the commission  
34 (~~shall~~) may not deny a license to an otherwise qualified applicant in  
35 an effort to limit the number of licenses to be issued(~~(:—PROVIDED~~  
36 ~~FURTHER, That)~~); although, the commission may authorize the director to  
37 temporarily issue or suspend licenses subject to final action by the  
38 commission;

1 (3) To authorize and issue licenses for a period not to exceed one  
2 year to any person, association, or organization approved by the  
3 commission meeting the requirements of this chapter and meeting the  
4 requirements of any rules and regulations adopted by the commission  
5 pursuant to this chapter as now or hereafter amended, permitting said  
6 person, association, or organization to conduct or operate amusement  
7 games in such manner and at such locations as the commission may  
8 determine. The commission may authorize the director to temporarily  
9 issue or suspend licenses subject to final action by the commission;

10 (4) To authorize, require, and issue, for a period not to exceed  
11 one year, such licenses as the commission may by rule provide, to any  
12 person, association, or organization to engage in the selling,  
13 distributing, or otherwise supplying or in the manufacturing of devices  
14 for use within this state for those activities authorized by this  
15 chapter. The commission may authorize the director to temporarily  
16 issue or suspend licenses subject to final action by the commission;

17 (5) To establish a schedule of annual license fees for carrying on  
18 specific gambling activities upon the premises, and for such other  
19 activities as may be licensed by the commission, which fees shall  
20 provide to the commission not less than an amount of money adequate to  
21 cover all costs incurred by the commission relative to licensing under  
22 this chapter and the enforcement by the commission of the provisions of  
23 this chapter and rules and regulations adopted pursuant thereto(~~(+~~  
24 ~~PROVIDED, That~~)). However, all licensing fees (~~shall~~) must be  
25 submitted with an application therefor and such portion of (~~said~~) the  
26 fee as the commission may determine, based upon its cost of processing  
27 and investigation, (~~shall~~) must be retained by the commission upon  
28 the withdrawal or denial of any such license application as its  
29 reasonable expense for processing the application and investigation  
30 into the granting thereof(~~(+—PROVIDED FURTHER, That)~~)). If in a  
31 particular case the basic license fee established by the commission for  
32 a particular class of license is less than the commission's actual  
33 expenses to investigate that particular application, the commission may  
34 at any time charge to that applicant such additional fees as are  
35 necessary to pay the commission for those costs. The commission may  
36 decline to proceed with its investigation and no license shall be  
37 issued until the commission has been fully paid therefor by the  
38 applicant(~~(+—AND PROVIDED FURTHER, That)~~)). Moreover, the commission

1 may establish fees for the furnishing by it to licensees of  
2 identification stamps to be affixed to such devices and equipment as  
3 required by the commission and for such other special services or  
4 programs required or offered by the commission, the amount of each of  
5 these fees to be not less than is adequate to offset the cost to the  
6 commission of the stamps and of administering their dispersal to  
7 licensees or the cost of administering such other special services,  
8 requirements or programs;

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

11 (7) To require that applications for all licenses contain such  
12 information as may be required by the commission(~~(+PROVIDED, That)~~).

13 (a) All persons (~~(+a)~~) (i) having a managerial or ownership  
14 interest in any gambling activity, or the building in which any  
15 gambling activity occurs, or the equipment to be used for any gambling  
16 activity, or (~~(+b)~~) (ii) participating as an employee in the operation  
17 of any gambling activity, (~~(shall)~~) must be listed on the application  
18 for the license and the applicant (~~(shall)~~) must certify on the  
19 application, under oath, that the persons named on the application are  
20 all of the persons known to have an interest in any gambling activity,  
21 building, or equipment by the person making such application(~~(+PROVIDED FURTHER, That)~~).

22 (b) The commission (~~(shall)~~) must require fingerprinting and  
23 national criminal history background checks on any persons seeking  
24 licenses, certifications, or permits under this chapter or of any  
25 person holding an interest in any gambling activity, building, or  
26 equipment to be used therefor, or of any person participating as an  
27 employee in the operation of any gambling activity. All national  
28 criminal history background checks (~~(shall)~~) must be conducted using  
29 fingerprints submitted to the United States department of justice-  
30 federal bureau of investigation. The commission must establish rules  
31 to delineate which persons named on the application are subject to  
32 national criminal history background checks. In identifying these  
33 persons, the commission must take into consideration the nature,  
34 character, size, and scope of the gambling activities requested by the  
35 persons making such applications;

36 (8) To require that any license holder maintain records as directed  
37

1 by the commission and submit such reports as the commission may deem  
2 necessary;

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

10 (10) To regulate and establish maximum limitations on income  
11 derived from bingo. In establishing limitations pursuant to this  
12 subsection the commission (~~shall~~) must take into account (a) the  
13 nature, character, and scope of the activities of the licensee; (b) the  
14 source of all other income of the licensee; and (c) the percentage or  
15 extent to which income derived from bingo is used for charitable, as  
16 distinguished from nonprofit, purposes. However, the commission's  
17 powers and duties granted by this subsection are discretionary and not  
18 mandatory;

19 ~~((To regulate and establish the type and scope of and manner  
20 of conducting the gambling activities authorized by this chapter,  
21 including but not limited to, the extent of wager, money, or other  
22 thing of value which may be wagered or contributed or won by a player  
23 in any such activities;~~

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

28 ~~((+13))~~ (12) To cooperate with and secure the cooperation of  
29 county, city, and other local or state agencies in investigating any  
30 matter within the scope of its duties and responsibilities;

31 ~~((+14))~~ (13) In accordance with RCW 9.46.080, to adopt such rules  
32 and regulations as are deemed necessary to carry out the purposes and  
33 provisions of this chapter. All rules and regulations (~~shall~~) must  
34 be adopted pursuant to the administrative procedure act, chapter 34.05  
35 RCW;

36 ~~((+15))~~ (14) To set forth for the perusal of counties, city-  
37 counties, cities and towns, model ordinances by which any legislative

1 authority thereof may enter into the taxing of any gambling activity  
2 authorized by this chapter;

3 ((+16)) (15)(a) To establish and regulate a maximum limit on  
4 salaries or wages which may be paid to persons employed in connection  
5 with activities conducted by bona fide charitable or nonprofit  
6 organizations and authorized by this chapter, where payment of such  
7 persons is allowed, and to regulate and establish maximum limits for  
8 other expenses in connection with such authorized activities, including  
9 but not limited to rent or lease payments. However, the commissioner's  
10 powers and duties granted by this subsection are discretionary and not  
11 mandatory.

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

20 ((+17)) (16) To authorize, require, and issue for a period not to  
21 exceed one year such licenses or permits, for which the commission may  
22 by rule provide, to any person to work for any operator of any gambling  
23 activity authorized by this chapter in connection with that activity,  
24 or any manufacturer, supplier, or distributor of devices for those  
25 activities in connection with such business. The commission may  
26 authorize the director to temporarily issue or suspend licenses subject  
27 to final action by the commission. The commission (~~shall~~) may not  
28 require that persons working solely as volunteers in an authorized  
29 activity conducted by a bona fide charitable or bona fide nonprofit  
30 organization, who receive no compensation of any kind for any purpose  
31 from that organization, and who have no managerial or supervisory  
32 responsibility in connection with that activity, be licensed to do such  
33 work. The commission may require that licensees employing such  
34 unlicensed volunteers submit to the commission periodically a list of  
35 the names, addresses, and dates of birth of the volunteers. If any  
36 volunteer is not approved by the commission, the commission may require  
37 that the licensee not allow that person to work in connection with the  
38 licensed activity;

1        ~~((+18+))~~ (17) To publish and make available at the office of the  
2 commission or elsewhere to anyone requesting it a list of the  
3 commission licensees, including the name, address, type of license, and  
4 license number of each licensee;

5        ~~((+19+))~~ (18) To establish guidelines for determining what  
6 constitutes active membership in bona fide nonprofit or charitable  
7 organizations for the purposes of this chapter;

8        ~~((+20+))~~ (19) To renew the license of every person who applies for  
9 renewal within six months after being honorably discharged, removed, or  
10 released from active military service in the armed forces of the United  
11 States upon payment of the renewal fee applicable to the license  
12 period, if there is no cause for denial, suspension, or revocation of  
13 the license;

14        ~~((+21+))~~ (20) To issue licenses under subsections (1) through (4)  
15 of this section that are valid for a period of up to eighteen months,  
16 if it chooses to do so, in order to transition to the use of the  
17 business licensing services program through the department of revenue;  
18 and

19        ~~((+22+))~~ (21) To perform all other matters and things necessary to  
20 carry out the purposes and provisions of this chapter.

21        NEW SECTION.    **Sec. 3.**    If any provision of this act or its  
22 application to any person or circumstance is held invalid, the  
23 remainder of the act or the application of the provision to other  
24 persons or circumstances is not affected.

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

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