

# SENATE BILL REPORT

## SB 5190

---

As Passed Senate, February 28, 2017

**Title:** An act relating to the bona fide charitable or nonprofit organization member requirement.

**Brief Description:** Concerning the member requirement for bona fide charitable or nonprofit organizations.

**Sponsors:** Senators Conway, King, Keiser, Braun and Chase; by request of Gambling Commission.

**Brief History:**

**Committee Activity:** Commerce, Labor & Sports: 1/19/17 [DP].

**Floor Activity:**

Passed Senate: 2/28/17, 48-1.

**Brief Summary of Bill**

- Modifies the requirements necessary to qualify as a bona fide charitable or nonprofit organization for gambling purposes.
- Removes the requirement that the organizations have at least 15 bona fide active members with equal voting rights.

---

### SENATE COMMITTEE ON COMMERCE, LABOR & SPORTS

**Majority Report:** Do pass.

Signed by Senators Baumgartner, Chair; Keiser, Ranking Minority Member; Conway, Hasegawa, Rossi, Saldaña and Wilson.

**Staff:** Richard Rodger (786-7461)

**Background:** Washington's Gambling Act authorizes bona fide charitable and nonprofit organizations to conduct limited gambling activities to raise funds for the organizations' stated purposes. The organization must be organized for one of the purposes specified in statute which include agricultural, charitable, educational, political, fraternal, or athletic purposes, and meet other requirements. The organizations may conduct bingo games, raffles, amusement games, and fund-raising events, utilize punchboards and pull-tabs, and play

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

social card games when done in accordance with the Gambling Commission's rules and regulations.

To qualify as a bona fide charitable and nonprofit organization, the organization must: (1) have been organized and continuously operating for at least 12 calendar months, immediately preceding an application for any gambling license or any gambling activity that does not require a license; (2) have at least 15 bona fide active members, each with the right to an equal vote in the election of the officers or board members who determine the policies of the organization; and (3) demonstrate that it has made significant progress toward the accomplishment of the purposes of the organization during the preceding 12 month period.

**Summary of Bill:** For the purposes of gambling activities, a bona fide charitable and nonprofit organization is no longer required to have at least 15 bona fide active members with equal voting rights that are used in the election of the officers or board members.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: The bill reduces a regulation that we think will build efficiency into the agency and help nonprofits. We think that with this bill other nonprofits will now be eligible to do some licensed gambling activities. Charitable/nonprofit gaming has been in the dwindling in recent years and we don't have the same regulatory concerns that existed 30 years ago.

**Persons Testifying:** PRO: Brian Considine, Gambling Commission/Legislative Liaison.

**Persons Signed In To Testify But Not Testifying:** No one.