

# SENATE BILL REPORT

## SB 6120

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As of February 4, 2020

**Title:** An act relating to amending types of nonprofit organizations qualified to engage in gambling activities.

**Brief Description:** Amending types of nonprofit organizations qualified to engage in gambling activities.

**Sponsors:** Senators Conway and King; by request of Gambling Commission.

**Brief History:**

**Committee Activity:** Labor & Commerce: 1/21/20.

**Brief Summary of Bill**

- Adds organizations existing for religious and scientific purposes to the definition of bona fide charitable or nonprofit organizations for purposes of the gambling statutes.
- Allows the Gambling Commission to license certain credit unions and groups of executive branch state employees who are conducting limited combined fund drive related raffles.

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### SENATE COMMITTEE ON LABOR & COMMERCE

**Staff:** Susan Jones (786-7404)

**Background:** Washington's Gambling Act authorizes a bona fide charitable or nonprofit organization to conduct certain gambling activities such as bingo games, raffles, amusement games, and fundraising events to raise funds for the organization's purpose. Such a bona fide charitable or nonprofit organization may also allow the use of its premises, furnishing, and other facilities by members of the organization for the playing of social card and dice games. Depending on how the activity is conducted, a license issued to the bona fide charitable or nonprofit organization by the Washington State Gambling Commission (Commission) may be required.

To be an eligible bona fide charitable or nonprofit organization, the organization must be organized for one of the purposes specified in statute, which include agricultural, charitable,

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political, fraternal, or athletic purposes. The organization must be organized and continuously operating for at least 12 calendar months immediately preceding applying for a license to operate a gambling activity or operating any gambling activity for which no license is required. The organization must demonstrate to the Commission that it has made significant progress toward accomplishing the organization's purpose during the 12 consecutive month period preceding the date of application for a license or license renewal, and may not pay its employees compensation other than is reasonable under the local prevailing wage scale.

For the purposes of conducting certain raffles without a license and taxation of certain gambling activities, a bona fide nonprofit organization also includes:

- a credit union conducting raffles where the net proceeds are devoted to charitable and other authorized purposes; and
- a group of executive branch state employees that: (1) has approval from the agency's chief executive official to conduct one or more raffles; (2) conducts a raffle solely to raise funds for either the state combined fund drive (CFD), an entity approved to receive funds from the CFD, or a charitable or benevolent entity; (3) meets information reporting requirements; and (4) limits the participation in the raffle to agency employees.

**Summary of Bill:** Organizations existing for religious and scientific purposes are added to the definition of bona fide charitable or nonprofit organizations for purposes of the gambling statutes. The statute for certain organizations soliciting for charitable purposes is added to the list of statutes under which a bona fide charitable or nonprofit organizations may exist.

The Commission may license certain credit unions and certain groups of executive branch state employees who are conducting raffles for the state CFD or certain approved entities.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**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: This is a request from the Gambling Commission. It has been worked inside the Commission. It is necessary to update the statute in terms of the nonprofits activities. There are three important changes to make the statute more readable and effective for the Commission and licensees. Adding the nonprofits is consistent with the tax status to include religious and scientific. This was recommended by the secretary of state and through stakeholder outreach. If the Legislature does not authorize it, it is prohibited. Right now the agency groups cannot get licenses. The credit union is just a little clean up for the Commission. It clarifies the Commission's authority on something it is currently doing.

**Persons Testifying:** PRO: Senator Steve Conway, Prime Sponsor; Brian Considine, Legal and Legislative Manager, Washington State Gambling Commission.

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