

# HOUSE BILL REPORT

## HB 1707

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**As Passed House:**

March 4, 2023

**Title:** An act relating to bingo conducted by bona fide charitable or nonprofit organizations.

**Brief Description:** Concerning bingo conducted by bona fide charitable or nonprofit organizations.

**Sponsors:** Representatives Kloba, Reed and Eslick.

**Brief History:**

**Committee Activity:**

Regulated Substances & Gaming: 2/6/23, 2/14/23 [DP].

**Floor Activity:**

Passed House: 3/4/23, 96-0.

**Brief Summary of Bill**

- Modifies the definition of bingo in the Gambling Act to: (1) eliminate the requirement that a bingo game must be conducted only in the county within which the bona fide charitable or nonprofit organization is principally located; and (2) add a requirement that the bona fide charitable or nonprofit organization conducting bingo must be principally located in Washington and may not be approved for more than three licenses to conduct bingo activities.

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### HOUSE COMMITTEE ON REGULATED SUBSTANCES & GAMING

**Majority Report:** Do pass. Signed by 8 members: Representatives Kloba, Co-Chair; Wylie, Co-Chair; Stearns, Vice Chair; Robertson, Assistant Ranking Minority Member; Morgan, Orwall, Reeves and Waters.

**Minority Report:** Without recommendation. Signed by 3 members: Representatives

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

Chambers, Ranking Minority Member; Cheney and Walsh.

**Staff:** Peter Clodfelter (786-7127).

**Background:**

Pursuant to the Gambling Act, the game of bingo may be conducted by bona fide charitable or nonprofit organizations and certain agricultural fairs. To be considered an eligible bona fide charitable or nonprofit organization, the organization must be organized for charitable, benevolent, eleemosynary, educational, civic, patriotic, political, religious, scientific, social, fraternal, athletic, or agricultural purposes only. In the opinion of the Washington State Gambling Commission (WSGC), the organization must have been organized and be operated primarily for purposes other than the operation of gambling activities.

A bingo game conducted by a bona fide charitable or nonprofit organization must be conducted only in the county within which the organization is principally located. A bona fide charitable or nonprofit organization is deemed to be principally located in the county within which it has its primary business office. If the organization has no business office, the organization is deemed to be located in the county of principal residence of its chief executive officer. However, any organization conducting any licensed and established bingo game in any locale as of January 1, 1981, is exempt from the requirement that the game must be conducted in the county in which the organization is principally located.

Bona fide charitable or nonprofit entities may conduct bingo with or without a license. Restrictions for unlicensed bingo include that the activities may be conducted no more than twice each calendar year and over a period of no more than 12 consecutive days each time. Gross revenues from bingo may not exceed \$5,000 during any calendar year for unlicensed bingo.

The WSGC issues licenses to conduct bingo to bona fide charitable and nonprofit organizations, and these organizations holding a license to conduct bingo are not subject to the limits on how many days per calendar year bingo may be conducted or on the gross revenues that may be generated from bingo. However, activities are subject to the WSGC's regulations and local governments may tax bingo at a rate of up to 5 percent of the gross receipts less the amount awarded as cash or merchandise prizes. If bingo is conducted on more than three occasions per week, the organization conducting the game must include a mandatory statement cautioning against problem gambling and providing a specific problem gambling helpline number.

**Summary of Bill:**

The definition of bingo in the Gambling Act is amended to eliminate the requirement that a bingo game must be conducted only in the county within which the bona fide charitable or nonprofit organization is principally located. Language is also removed regarding what

county a bona fide charitable or nonprofit organization is deemed to be located in for purposes of conducting bingo, if it has no business office.

A requirement is added for conducting bingo that a bona fide charitable or nonprofit organization must be principally located in Washington and may not be approved for more than three licenses to conduct bingo activities.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) There are senior centers who operate in two counties and would like to offer bingo at their facilities in both counties but are prohibited by law from doing so. Senior centers provide invaluable services to seniors and communities by providing hot meals, food pantry items, health and wellness programs, enrichment activities, transportation to grocery stores and medical services, inclusion programs for seniors with developmental disabilities, and other community benefits. The Northshore Senior Center has three locations between King County and Snohomish County. There is a desire to offer bingo at all three of the locations but current law prevents this from occurring by not allowing a nonprofit to offer bingo in more than one county. For Northshore Senior Center, this means seniors at the Bothell facility can enjoy bingo and connect with community, but members at the Mill Creek facility are left out. The bill represents work to find a narrow solution. Interest in bingo at senior centers continues to return after the COVID-19 pandemic. These are events for seniors, their families, and friends to connect and enjoy themselves at a fun social gathering. Socialization is critically important for seniors to maintain cognitive abilities and prevent depression. Bingo helps provide these social activities and also connects seniors to other programs and services offered by senior centers.

(Opposed) None.

(Other) The Washington State Gambling Commission (WSGC) appreciated the opportunity to work with sponsors on this legislation to address any regulatory concerns. The WSGC members have not yet had an opportunity to take a formal position on this bill, but there are currently no concerns. The work done to bring different groups together and find this policy solution is much appreciated.

**Persons Testifying:** (In support) Representative Shelley Kloba, prime sponsor; Nathan Phillips, Northshore Senior Center; and Barbara Anderson.

(Other) Tommy Oakes, Washington State Gambling Commission; and Tina Griffin.

**Persons Signed In To Testify But Not Testifying:** None.