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Gambling Tax - Non-profit
organizations exempt

ORIGINAL

ORDINANCE NO. 1497

AN ORDINANCE OF THE CITY OF REDMOND, WASHINGTON AMENDING THE REDMOND MUNICIPAL CODE TO REVISE CITY GAMBLING REGULATIONS TO ADOPT CURRENT STATE STATUTES; REWORD PORTIONS OF THE REGULATIONS TO PROMOTE CLARITY; EXEMPT BONA FIDE CHARITABLE OR NONPROFIT ORGANIZATIONS CONDUCTING RAFFLES FROM PAYMENT OF A GAMBLING TAX; INCLUDE THE CITY REQUIREMENTS FOR SAID ORGANIZATIONS; AND ESTABLISH AN EFFECTIVE DATE.

WHEREAS, State gambling statutes adopted by reference in Redmond Municipal Code 9.30.010 have been repealed and replaced with new legislation, and

WHEREAS, the City of Redmond finds that bona fide charitable or nonprofit organizations benefit the Redmond community, and the City of Redmond intends to exempt such bona fide charitable or nonprofit organizations conducting raffles from payment of a gambling tax to the City of Redmond, Now, Therefore,

THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Section 9.30.010 of the Redmond Municipal Code is hereby amended to update its references to State statutes relating to gambling, to read as follows:

Section 9.30.010 State statutes adopted by reference. The following statutes of the State of Washington, as now existing or as they may be hereafter amended, are adopted by reference pursuant to the authority contained in RCW 35A.12.140:

RCW 9.46.010	Legislative declaration.
RCW 9.46.0201	"Amusement game."
RCW 9.46.0205	"Bingo."
RCW 9.46.0209	"Bona fide charitable or nonprofit organization."
RCW 9.46.0213	"Bookmaking."
RCW 9.46.0217	"Commercial stimulant."
RCW 9.46.0221	"Commission."
RCW 9.46.0225	"Contest of chance."
RCW 9.46.0229	"Fishing Derby."
RCW 9.46.0233	"Fund raising event."
RCW 9.46.0237	"Gambling."
RCW 9.46.0241	"Gambling device."
RCW 9.46.0245	"Gambling information."
RCW 9.46.0249	"Gambling premises."
RCW 9.46.0253	"Gambling record."
RCW 9.46.0257	"Lottery."
RCW 9.46.0261	"Member," "bona fide member."
RCW 9.46.0265	"Player."
RCW 9.46.0269	"Professional gambling."
RCW 9.46.0273	"Punch boards," "pull-tabs."

RCW 9.46.0277	"Raffle."
RCW 9.46.0281	"Social card game."
RCW 9.46.0285	"Thing of value."
RCW 9.46.0289	"Whoever," "person."
RCW 9.46.0305	Dice or coin contests for music, food, or beverage payment.
RCW 9.46.0311	Charitable, nonprofit organizations -- Authorized gambling activities.
RCW 9.46.0315	Raffles -- No license required, when.
RCW 9.46.0321	Bingo, raffles, amusement games -- No license required, when.
RCW 9.46.0325	Social card games, punch boards, pull-tabs authorized.
RCW 9.45.0331	Amusement games authorized.
RCW 9.46.0335	Sports pools authorized.
RCW 9.46.0341	Golfing sweepstakes authorized.
RCW 9.46.0345	Bowling sweepstakes authorized.
RCW 9.46.0351	Social card, dice games -- Use of premises of charitable, nonprofit organizations.
RCW 9.46.0355	Promotional contests of chance authorized.
RCW 9.46.0361	Turkey shoots authorized.
RCW 9.46.110	Taxation of gambling activities -- Limitations -- Restrictions on punch boards and pull tabs.
RCW 9.46.120	Restrictions as to management or operation personnel -- Restriction as to leased premises.
RCW 9.46.130	Inspection and audit of premises, paraphernalia, books, and records -- Reports for the commission.
RCW 9.46.150	Injunctions -- Voiding of licenses, permits, or certificates.
RCW 9.46.195	Obstruction of public servant in administration or enforcement as violation -- Penalty.
RCW 9.46.210	Enforcement - Commission as a law enforcement agency.
RCW 9.46.230	Seizure and disposition of gambling devices -- Owning, buying, selling, etc., gambling devices or records -- Penalties.
RCW 9.46.240	Gambling information, transmitting or receiving as violation -- Penalty.
RCW 9.46.250	Gambling property or premises -- Common nuisances, abatement -- Termination of mortgage, contract, or leasehold interests, licenses -- Enforcement.
RCW 9.46.260	Proof of possession as evidence of knowledge of its character.
RCW 9.46.270	Chapter as exclusive authority for taxation of gambling activities.
RCW 9.46.295	Licenses as legal authority to engage in activities for which issued -- Exception.

One or more copies of the above-referenced statutes shall be kept on file in the office of the city clerk for use and examination by the public.

Section 2. Section 9.30.040 of the Redmond Municipal Code is hereby repealed.

Section 3. Section 9.30.060 of the Redmond Municipal Code is hereby amended to exempt bona fide charitable or nonprofit organizations conducting a raffle from payment of a City gambling tax, to read as follows:

Section 9.30.060 Tax levied upon gambling activities.

A. A tax at the rates specified in this section is levied on all persons, associations and organizations who engage in the following activities:

<u>ACTIVITY</u>	<u>TAX RATE</u>
1. Conduct of any bingo game.	Ten percent of the gross revenue received after the amount paid for prizes or as prizes is deducted.
2. Conduct or operation of any amusement game.	Two percent of the gross revenue received after the amount paid as prizes is deducted.
3. Operaton of pull tabs as a commercial stimulant.	Five percent of the gross revenue received.
4. Operation of a card room for social card games as a commercial stimulant upon any premises.	Twelve percent of the gross revenue received from such card games per year.
5. Operation of social card games on premises or facilities used or owned by a bona fide charitable or non-profit organization.	One dollar per year for each member in the bona fide charitable or non-profit organization to a maximum of one hundred dollars for each such premise or facility.

Provided, that an amount equal to fifty percent of the tax upon bingo and amusement games will be waived upon satisfactory proof submitted by the organization showing that the proceeds of such gambling activity is used entirely within the city for community or charitable purposes; and, Provided further, that lower volume licensees, as defined by WAC 230-04-065, conducting gambling activities under subsections (1) and (4) of this section shall be exempt from any such tax.

B. Pursuant to RCW 9.46.113, the City shall use the revenue collected from the taxes levied on the authorized gambling activities in this section primarily for the purpose of enforcement of the provisions of this Chapter by the City Police Department.

Section 4. Section 9.30.080 of the Redmond Municipal Code is hereby amended to read as follows:

Section 9.30.080 Declaration of intent - Statement of receipts. For the purpose of identifying who shall be subject to the tax imposed by this chapter, any person, association or organization intending to conduct or

operate any gambling activities authorized by RCW Chapter 9.46 and not prohibited by this chapter shall, prior to commencement of any such activity, file with the City Clerk a sworn declaration of intent to conduct or operate such activity together with a copy of the license issued by the Washington State Gambling Commission. Thereafter, for any period covered by such license or any renewal thereof, any person, association or organization shall, on or before the 15th day of the month following the end of the quarterly period in which the tax accrued, file with the City Clerk a sworn statement on a form to be provided and prescribed by the City Clerk, reporting the gross revenue received for the purpose of ascertaining tax due for the preceding quarterly period.

- A. A bona fide charitable or nonprofit organization must file with the City Clerk a copy of the letter from the Internal Revenue Service, Department of the Treasury, noting exemption from federal income tax due to its status as a bona fide charitable or nonprofit organization, a copy of its Washington State Gambling license if such license is required, and any forms provided and prescribed by the City Clerk.
- B. Holders of lower volume licenses shall maintain records as required by the Washington State Gambling Commission and shall file with the City Clerk a duplicate copy of the summary of these records required by WAC 230-08-015.

Section 5. This ordinance, being an exercise of a power specifically delegated to the City legislative body, is not subject to referendum, and shall take effect five (5) days after passage and publication of the ordinance or a summary thereof consisting of the title.

APPROVED:

Doreen Marchione
MAYOR, DOREEN MARCHIONE

ATTEST/AUTHENTICATED:

Doris A. Schaible
CITY CLERK, DORIS A SCHAIBLE

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY:

BY Jimmy C. Martin

FILED WITH THE CITY CLERK:	6-15-89
PASSED BY THE CITY COUNCIL:	6-20-89
PUBLISHED:	6-25-89
EFFECTIVE DATE:	6-30-89
ORDINANCE NO. <u>1497</u>	