



CO00029581

COUNTY COUNCIL
Snohomish County, Washington

ORDINANCE NO. 80-037
RELATING TO GAMBLING, LEVYING TAXES,
COLLECTION AND DISTRIBUTION THEREOF,
AND PROVIDING PENALTIES

WHEREAS, the Legislature of the State of Washington adopted RCW 9.46.110 and section 1, Chapter 198, Laws of Washington, 1977 1st Ex. Sess., and

WHEREAS, the Snohomish County Council recognizes the need to enable the Snohomish County Sheriff's Department to better enforce the gambling laws of the State of Washington for the greater protection of the public health, welfare, safety, and morals,

NOW, THEREFORE, BE IT ORDAINED, that there is created the following amendments to Title 4 of the Snohomish County Code:

CHAPTER 4.42

GAMBLING TAX

Sections:

- 4.42.010 Definitions.
- 4.42.020 Tax Schedule.
- 4.42.030 Administration and Collection.
- 4.42.040 Payments and Penalties.
- 4.42.050 Violations.
- 4.42.060 Municipal Taxes.

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- 4.42.070 Treasurer's Authority.
- 4.42.080 Powers of the County Executive and Council.
- 4.42.090 Access to Records.
- 4.42.100 Gambling Tax Fund.
- 4.42.110 Washington Laws.
- 4.42.120 Severability.
- 4.42.130 Effective Date.

4.42.010 Definitions.

(1) Amusement games -- A game played for entertainment in which:

- (a) The contestant actively participates;
- (b) The outcome depends in a material degree upon the skill of the contestant;
- (c) Only merchandise prizes are awarded;
- (d) The outcome is not in the control of the operator;
- (e) The wagers are placed, the winners are determined, and a distribution of prizes or property is made in the presence of all persons placing wagers at such game; and
- (f) Said game is conducted or operated by any agricultural fair, person, association, or organization in such manner and at such locations as may be authorized by rules and regulations adopted by the State Gambling Commission pursuant to Chapter 9.46 RCW.

Cake walks as commonly known and fish ponds as commonly known shall be treated as amusement games for all purposes under this chapter.

(2) Bingo -- A game in which prizes are awarded on the basis of designated numbers or symbols on a card conforming to numbers or symbols selected at random and in which no cards are sold except at the time and place of said game, when said game is conducted by a bona fide charitable or nonprofit organization which does not conduct or allow its premises to be used for conducting bingo on more than three occasions per week and which does not conduct bingo in any location which is used for conducting bingo on more than three occasions per week, or if an agricultural fair authorized under chapters 15.76 and 36.37 RCW, which does not conduct bingo on more than twelve consecutive days in any calendar year, and except in the case of any agricultural fair as authorized under chapters 15.76 and 36.37 RCW, no person other than a bona fide member or an employee of said organization takes any part in the management or operation of said game, and no person who takes any part in the management or operation of said game

takes any part in the management or operation of any game conducted by any other organization or any other branch of the same organization and no part of the proceeds thereof inure to the benefit of any person other than the organization conducting said game.

(3) Bona-fide charitable or non-profit organization --

(a) Any organization duly existing under the provisions of chapters 24.14, 24.20 or 24.28 RCW, any agricultural fair authorized under the provisions of chapters 15.76 or 36.37 RCW, or any nonprofit corporation duly existing under the provisions of chapter 24.03 RCW for charitable, benevolent, eleemosynary, educational, civic, patriotic, political, social, fraternal, athletic or agricultural purposes only, or any nonprofit organization, whether incorporated or otherwise, when found by the State Gambling Commission to be organized and operating for one or more of the aforesaid purposes only, all of which in the opinion of the Commission have been organized and are operated primarily for purposes other than the operation of gambling activities authorized under Chapter 9.46 RCW; or

(b) any corporation which has been incorporated under Title 36 U.S.C. and whose principal purposes are to furnish volunteers aid to members of the armed forces of the United States and also to carry on a system of national and international relief and to apply the same in mitigating the sufferings caused by pestilence, famine, fire, floods, and other national calamities and to devise and carry on measures for preventing the same. The fact that contribution to an organization do not qualify for charitable contribution deduction purposes or that the organization is not otherwise exempt from payment of federal income taxes pursuant to the Internal Revenue Code of 1954, as amended, shall constitute prima facie evidence that the organization is not a bona fide charitable or nonprofit organization for the purposes of this section.

Any person, association or organization which pays its employees, including members, compensation other than is reasonable therefor under the local prevailing wage scale shall be deemed paying compensation based in part or whole upon receipts relating to gambling activities authorized under chapter 9.46 RCW and shall not be a bona fide charitable or nonprofit organization for the purposes of said chapter.

(4) Commercial Stimulant -- An activity is operated as a commercial stimulant, only when it is an incidental activity operated in connection with, and incidental to, an established business, with the primary purpose of increasing the volume of sales of food or drink for consumption on that business premises, and as the corresponding definition of "commercial stimulant" is applied by the State Gambling Commission.

(5) Fund-raising Event -- A fund raising event conducted during any three consecutive days and not more than once in any calendar year or a fund raising event conducted not more than twice each calendar year for not more than one calendar day by a bona fide charitable or nonprofit organization as defined in subsection (3) of this section other than any agricultural fair referred to thereunder, upon authorization therefor by the State Gambling Commission which the legislature has authorized to issue a license therefor, with or without fee, permitting the following activities, or any of them, during such event: Bingo, amusement games, contests of chance, lotteries and raffles; Provided, That (a) gross wages and bets received by the organization less the amount of money paid by the organization as winnings and for the purchase cost of prizes given as winnings do not exceed five thousand dollars during the total calendar days of such fund raising event in the calendar year; (b) such activities shall not include any mechanical gambling or lottery device activated by the insertion of a coin or by the insertion of any object purchased by any person taking a chance by gambling in respect to the device; (c) only bona fide members of the organization who are not paid for such service shall participate in the management or operation of the activities, and all income therefrom, after deducting the cost of prizes and other expenses, shall be devoted solely to the lawful purposes of the organization; and (d) such organization shall notify the Snohomish County Sheriff's Department in writing, and not less than ten (10) days prior to each such activity, of the time and place where such activities shall be conducted.

(6) Gambling -- A person engages in gambling if he stakes or risks something of value upon the outcome of a contest of chance or a future contingent event not under his control or influence, upon an agreement or understanding that he or someone else will receive something of value in the event of a certain outcome. Gambling does not include

fishing derbies as defined by this chapter, parimutuel betting as authorized by chapter 67.16 RCW, bona fide business transactions valid under the law of contracts, including, but not limited to, contracts for the purchase or sale at a future date of securities or commodities, and agreements to compensate for loss caused by the happening of chance, including, but not limited to, contracts of indemnity or guarantee and life, health or accident insurance. In addition, a contest of chance which is specifically excluded from the definition of lottery under subsection (13) of RCW 9.46.020 shall not constitute gambling.

(7) Punch-Boards or Pull-Tabs -- "Punch boards" and "pull-tabs" shall be given their usual and ordinary meaning as of July 16, 1973, except that such definition may be revised by the State Gambling Commission pursuant to the rules and regulations promulgated pursuant to Chapter 9.46 RCW. In the event that such revision occurs, the new definition is hereby and herein incorporated by reference.

(8) Raffles -- A game in which tickets bearing an individual number are sold for not more than one dollar each and in which a prize or prizes are awarded on the basis of a drawing from said tickets by the person or persons conducting the game, when said game is conducted by a bona fide charitable or nonprofit organization, no person other than a bona fide member of said organization takes any part in the management or operation of said game, and no part of the proceeds thereof inure to the benefit of any person other than the organization conducting said game.

(9) Social Card Games -- A card game, including but not limited to the game commonly known as "Mah Jongg", which constitutes gambling and contains each of the following characteristics:

(a) There are two or more participants and each of them are players; and

(b) A player's success at winning money or other thing of value by overcoming chance is in the long run largely determined by the skill of the player; and

(c) No organization, corporation or person collects or obtains or charges any percentage of or collects or obtains any portion of the money or thing of value wagered or won by any of the players: Provided, That this item (c) shall not preclude a player from collecting or obtaining his winnings; and

(d) No organization or corporation, or person collects or obtains any money or thing of value from, or charges or imposes any fee upon, any person which either enables him to play or results in or from his playing: Provided, That this item (d) shall not apply to the membership fee in any bona fide charitable or nonprofit organization or to an admission fee allowed by the commission pursuant to RCW 9.46.070; and

(e) The type of card game is one specifically approved by the commission pursuant to RCW 9.46.070; and

(f) The extent of wagers, money or other thing of value which may be wagered or contributed by any player does not exceed the amount or value specified by the commission pursuant to RCW 9.46.070.

Should there arise or exist a conflict between definitions established in this section and definitions established under Chapter 9.46 RCW, the latter shall govern. Should there arise a need to define further terms which are not specifically defined in this section, those definitions established by Chapter 9.46 shall be used and shall govern.

4.42.020 Tax Schedule.

There is hereby levied upon all persons, corporations, associations, and organizations authorized to conduct or operate any gambling activity or amusement game within the unincorporated areas of Snohomish County as provided herein, taxes as follows:

(1) Bingo and/or raffles -- These activities shall be taxed at a rate of seven and one half (7 1/2%) of the gross receipts received therefrom, less the amount paid for as prizes.

(2) Amusement games -- These activities shall be taxed at a rate of two percent (2%) of the gross revenue therefrom less the amount paid for as prizes.

(3) Punch boards and/or pull-tabs -- These activities shall be taxed at a rate of five per cent (5%) of the gross receipts therefrom.

(4) Social card games and/or any other gambling activity -- These activities shall be taxed at a rate of five per cent (5%) of the gross receipts therefrom to the extent provided below.

PROVIDED, that no tax shall be imposed on bingo, raffles, or amusement games when such activities are conducted by any bona fide charitable or non-profit organization as defined by this chapter, which organization

has no paid operating or management personnel, and has gross annual receipts from bingo, raffles or amusement games, or any combination thereof not exceeding twenty five hundred dollars (\$2,500.00), less the amount paid for as prizes, thereby constituting an exemption from taxation by this chapter. Should said gross annual receipts, less the amount paid for prizes, exceed twenty five hundred dollars (\$2,500.00), the tax rates applicable herein shall apply only to such excess; and

PROVIDED FURTHER, that the tax provided for in subsection (4) of this section shall apply solely to those social card games and/or any other gambling activity, including fund-raising events conducted, held or operated as a "commercial stimulant" as defined in this chapter. Specifically, such tax shall apply only to such activities conducted in a "public card room" as defined in WAC 230-02-410.

4.42.030 Administration and Collection.

The administration and collection of the tax imposed by this ordinance shall be by the Snohomish County Treasurer pursuant to rules and regulations as may be adopted by the State Gambling Commission.

4.42.040 Payments and Penalties.

The tax imposed by this ordinance shall be due and payable in quarterly installments, and remittance therefor shall accompany each return and be made on or before the fifteenth day of the month next succeeding the quarterly period in which the tax accrued.

For each payment due, if such payment is not made by the due date thereof, there shall be added a penalty as follows:

- a. First to seventeen days delinquency, ten per cent with a minimum penalty of two dollars.
- b. More than seventeen days delinquency, fifteen per cent with a minimum penalty of four dollars.

4.42.050 Violations.

Any person who shall willfully violate this chapter or who shall willfully disobey any rule or regulation promulgated by the County Treasurer hereunder, shall be guilty of a misdemeanor and upon conviction shall be punished by imprisonment in the county jail for not more than ninety days or by a fine of not more than two hundred fifty dollars or both. Any such fine shall be in addition to the tax required. Officers, directors and managers of any organization conducting gambling activities shall be

jointly and severally liable for the payment of said tax and for the payment of any fine imposed hereunder.

4.42.060 Municipal Taxes.

Incorporated areas within Snohomish County which adopt any ordinance levying a tax on gambling activities are hereby entitled to all tax revenue from such gambling played or conducted within such incorporated areas. The incorporated area shall also be responsible for the administration and enforcement of the taxing provisions of such ordinances within their respective jurisdictions.

4.42.070 Treasurer's Authority.

The County Treasurer shall:

- a. Adopt, publish and enforce such rules and regulations consistent with this chapter as are necessary to enable the collection of the tax imposed by this ordinance in the unincorporated areas of Snohomish County.
- b. Prescribe and issue the appropriate forms for determination and declaration of the amount of tax to be paid.

4.42.080 Powers of the County Executive and Council.

The County Executive and County Council shall have the power to enter into contracts with municipalities for the enforcement of state laws, state rules and regulations and city ordinances related to gambling activities. The County Council shall retain the sole authority to review and give final approval to any regulation made by the County Treasurer pursuant to this chapter, prior to the adoption of such a regulation.

4.42.090 Access to Records.

It shall be the responsibility of all officers, directors and managers of any organization conducting gambling activities to provide access to such financial records as the Snohomish County Treasurer, Snohomish County Sheriff, Snohomish County Prosecuting Attorney, their authorized representatives, or law enforcement representatives of local municipalities may require in order to determine compliance with this chapter.

4.42.100 Gambling Tax Fund.

All taxes received under this chapter shall be deposited in the current expense fund. Moneys deposited in such fund as a result of the tax imposed by this chapter shall be used by the sheriff for the policing and enforcement of state

statutes and county resolutions and ordinances relating to the control of gambling and such criminal activities as may be incidental to gambling including vice and drug controls.

For purposes of this chapter, the reasonable and necessary expenses of the County Treasurer in administering this fund and providing audit services pursuant hereto shall also be legitimate charges against the gambling tax fund created by this chapter since such expenses are recognized as being vital to the enforcement of this chapter.

4.42.110 Washington Laws.

This chapter, and all activities undertaken thereunder, shall be subject to all applicable laws and regulations of the state of Washington.

4.42.120 Severability.

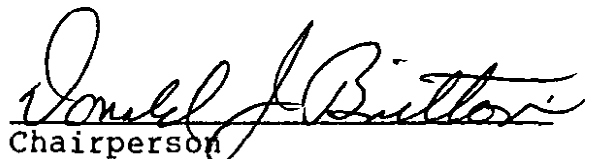
Should any section, paragraph, sentence, clause or phrase of this chapter or its application to any person or circumstance be declared unconstitutional or otherwise invalid for any reason, such decision shall not affect the validity of the remaining portions of this chapter or its application to other persons or circumstances.

4.42.130 Effective date. The effective day of this chapter shall be November 1, 1980.

PASSED this 15th day of September, 1980.

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington

ATTEST:


Chairperson


Clerk of Council

- () APPROVED
- () VETOED
- () EMERGENCY

DATE: 9. 22-80

Willis D Tucker
County Executive

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