

CITY OF WOODLAND, WASHINGTON

ORDINANCE NO. 1217

AN ORDINANCE IMPOSING A TAX ON THE GROSS REVENUE OF HOUSE-BANKED PUBLIC CARD ROOMS, AMENDING WOODLAND MUNICIPAL CODE 3.04.010

RECITALS

WHEREAS, in Ordinance No. 1188, the City Council of the City of Woodland amended the Woodland Municipal Code to authorize the operation of house-banked public card rooms within the City of Woodland;

WHEREAS, RCW 9.46.110(3)(f) authorized Washington cities to impose a tax no greater than twenty percent on the gross receipts of house-banked public card rooms derived from social card games;

WHEREAS, the Finance Committee of the City of Woodland unanimously recommended to the City Council the imposition of an initial tax of 4% on gross revenues through the calendar year of 2012 and the imposition of a 5% tax on gross revenues beginning January 1, 2013;

WHEREAS, the Finance Committee also recommended that the Council review the 5% tax on or before December 31, 2013;

WHEREAS, the Council received and considered input from representatives of those presently seeking permits of house-banked public card rooms;

AND, WHEREAS, provisions of WMC 3.04.010 should be modified to conform with legislative changes to city statutory authority.

ORDINANCE

NOW, THEREFORE, the City Council of the City of Woodland hereby ordains to amend WMC 3.04.010 as set forth in Section 2 of this ordinance as follows:

1. Present Ordinance. The text of the ordinance as presently enacted without the amendment:

3.04.010 Imposed – Computation. In accordance with RCW Chapter 9.46 as now or hereafter amended, there is levied upon all persons, associations and organizations who have been duly licensed by the Washington State Gambling Commission:

A. To conduct or operate any recreational card games, bingo games, or raffles, a tax computed at the rate of ten percent of the gross revenue received therefrom less the amount paid for or as prizes; to conduct any amusement games, a tax computed at

the rate of two percent of the gross revenue therefrom less the amount paid for or as prizes; provided however, that any church, elementary or secondary school, parent-teacher organization, or bona fide charitable nonprofit organization, holding or sponsor a bazaar or carnival not more than once each calendar wherein bingo, amusement games or raffles are conducted shall pay an application or declaration fee of ten dollars only, and shall be exempt from any further excise or tax or payment of any additional fees;

B. To utilize punchboards or pull-tabs pursuant to RCW Chapter 9.46, an excise or tax computed at the rate of five percent based upon the gross income received in the conduct of such activity, computed by multiplying the number of chances played on such board or pull-tab times the price or value of each individual chance or play.

2. Amended Ordinance. The ordinance as amended:

3.04.010 Imposed – Computation. In accordance with RCW Chapter 9.46 as now or hereafter amended, there is a tax on gambling levied upon all persons, associations and organizations who have been duly licensed by the Washington State Gambling Commission and the tax shall be computed at the rate stated in the following subsections.

A. **Raffles:** There shall be levied upon all persons, associations and organizations licensed by the Washington State Gambling Commission to conduct and to operate raffles, a tax computed at the rate of five percent (5%) of the gross revenue received by the conduct of such activity, less the amount awarded as cash or merchandise prizes;

B. **Bingo:** Except as limited by Subsection G, there shall be levied upon all persons, associations and organizations licensed by the Washington State Gambling Commission to conduct and to operate bingo games, a tax computed at the rate of five percent (5%) of the gross revenue received by the conduct of such activity, less the amount awarded as cash or merchandise prizes;

C. **Amusement Games:** There shall be levied upon all persons, associations and organizations licensed by the Washington State Gambling Commission to conduct and to operate amusement games, a tax computed at the rate of two percent (2%) of the gross revenue received in the conduct of such activity, less the amount paid as prizes.

D. **Punch Boards and Pull-Tabs:** There shall be levied upon all persons, associations and organizations licensed by the Washington State Gambling Commission who offer or utilize punchboards or pull-tabs a tax computed at the rate of five percent (5%) based upon the gross income received in the conduct of such activity. Gross income is computed by multiplying the number of chances played on a board or pull-tab by the price of each individual chance to play;

E. **Social Card Games:** Except as provided in Subsection F, there shall be levied upon all persons, associations and organizations licensed by the Washington State Gambling Commission to conduct and to operate social card games, a tax computed at

the rate of ten percent (10%) of the gross revenue received by the conduct of such activity, less the amount awarded as cash or merchandise prizes;

F. Social Card Games at House-Banked Public Card Rooms:

1. Through December 31, 2012: There shall be levied upon all persons, associations or organizations licensed by the Washington State Gambling Commission to conduct and to operate house-banked card rooms a tax computed at the rate of four percent (4%) of the gross revenue from “social card games,” as that term is defined in RCW 9.46.0282, as presently enacted or later amended. This rate shall take effect on the effective date of this ordinance through December 31, 2012.

2. Beginning January 1, 2013: Effective January 1, 2013, there shall be levied upon all persons, associations and organizations licensed by the Washington State Gambling Commission to conduct and to operate house-banked public card rooms a tax computed at the rate of five percent (5%) of the gross revenue from “social card games,” as that term is defined in RCW 9.46.0282, as presently enacted or later amended.

G. Exemptions/Limitations: The taxes imposed by this chapter are limited as follows:

1. Bingo & Amusement Games:

a. *One Annual Event*: The gross proceeds from bingo and amusement games from an annual event in which a church, elementary or secondary school, parent-teacher organization or bona fide charitable nonprofit organization is the licensee are exempt from the gambling tax.

b. *More Than One Annual Event*:

i. Annual Proceeds \leq \$5,000 – Gross proceeds from bingo and amusement games for multiple events during a calendar year in which a church, elementary or secondary school, parent-teacher organization or bona fide charitable nonprofit organization is the licensee and totaling less than \$5,000 (excluding combined prizes) are exempt from the gambling tax.

ii. Annual Proceeds $>$ \$5,000 – Combined gross proceeds from bingo and amusement games greater than \$5,000 (excluding combined prizes) generated from multiple events in which a church, elementary or secondary school, parent-teacher organization or bona fide charitable nonprofit organization is the licensee shall be subject to the gambling tax and are not exempt. The first \$5,000, less combined prizes, are exempt.

2. Raffles: No tax shall be imposed on the gross receipts from raffles less prizes conducted by any bona fide charitable or nonprofit organization as defined in RCW 9.46.0209 or by a church, an elementary, intermediate, middle or secondary school, a parent-teacher organization or a bona fide charitable and non-profit organization holding or sponsoring a bazaar or carnival not more than once a calendar year, provided that the organizers pay an application fee or declaration fee of \$10. The gross receipts are exempt from tax.

3. **Severability.** If any one or more sections, subsections, or sentences of this Ordinance are held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this Ordinance and the same shall remain in full force and effect.

4. **Effective Date.** This Order shall take effect five days after its publication in the City's newspaper of record.

ADOPTED in an Open Public Meeting this 1st day of August, 2011.

CITY OF WOODLAND, WASHINGTON

Approved:



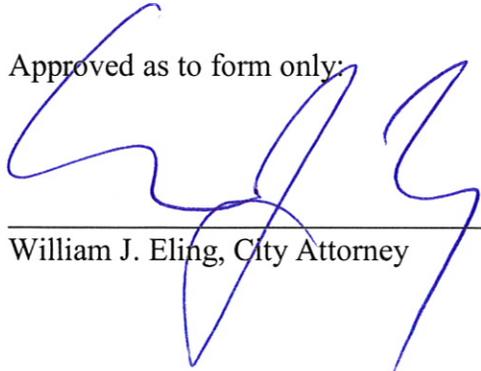
Charles E. Blum, Mayor

Attest:



Mari E. Ripp, Clerk-Treasurer

Approved as to form only:



William J. Eling, City Attorney