



STATE OF WASHINGTON
GAMBLING COMMISSION

"Protect the Public by Ensuring that Gambling is Legal and Honest"

February 14, 2017

The Honorable Michael Baumgartner
Chair, Senate Commerce, Labor & Sports Committee
404 Legislative Building
P.O. Box 40466
Olympia, WA 98504

SUBJECT: Opposition to SB 5671 – Simplifying process for charitable organizations

Dear Chair Baumgartner:

The Washington State Gambling Commission voted to oppose Senate Bill 5671 during its most recent public meeting on February 9, 2017. The Commissioners' opposition is only to the bill as it is currently written. The Gambling Commission will not oppose authorizing additional unlicensed public raffles up to four per year and increasing the annual gross revenue from public raffles to \$10,000 annually before requiring licensure. The Commissioners directed agency staff to work with you and the prime sponsor on an amendment to address the aspects of the bill that caused us concern.

SB 5671 reduces the requirements and restrictions on bona fide charitable and nonprofit organizations to engage in unlicensed gambling activities under the Gambling Act. The Gambling Commission does not oppose authorizing additional unlicensed raffles and increasing the annual amount that can be raised before requiring licensure. Unfortunately, the bill strikes necessary limitations on whom the proceeds may be given, how raffles must be conducted, and accounting requirements in Sections 2-7, and 9. These changes are necessary safeguards to ensure that these gambling activities are conducted in a fair and honest manner.

Additionally, removing these safeguards will likely lead to an increase in unlawful activities. This will require the Commission to expend additional agency resources on unlicensed gambling activities. As an agency funded only through license fees and reimbursements from tribal governments, any increased cost in regulating unlicensed activities causes us concern.

We look forward to discussing ways to allow additional opportunities for charitable and nonprofit organizations to raise money, while ensuring safeguards to make gambling fair and honest in Washington. Therefore, we have directed staff to provide you with an amendment to address our concerns and we hope the proposed amendment will be adopted by the prime sponsor and the committee.

If you have any questions, please do not hesitate to contact me at (253) 951-5090 or Director Dave Trujillo (360) 486-3512.

Sincerely,

A handwritten signature in black ink that reads "Bud Sizemore". The signature is written in a cursive, slightly slanted style.

Bud Sizemore
Commission Chair

cc: Sen. Steve Conway
Sen. Phil Fortunato