

ORDINANCE NO. 180

AN ORDINANCE OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, PROVIDING FOR TAXATION OF CERTAIN GAMBLING ACTIVITIES, INCORPORATING CHANGES IN STATE TAXATION LAW RELATING TO GAMBLING, PROVIDING FOR RELIEF FOR GAMBLING ACTIVITIES CONDUCTED BY NON-PROFIT ORGANIZATIONS AND REPEALING ORDINANCES NOS. 17 AND 43.

WHEREAS, the City Council previously enacted Ordinance Nos. 17 and 43 to regulate certain gambling activities and providing for taxation of certain gambling activities; and

WHEREAS, state law has changed to permit less restrictive gambling taxation on certain gambling activities conducted by non-profit organizations; and

WHEREAS, after substantial community comment at City Council meetings about the distribution of proceeds from gambling operations conducted by non-profit organizations in the form of scholarships and financial support to youth in this community to engage in competitive skating, the City Council finds that reducing the taxation rate on gambling activities by non-profit organizations serves the public benefit; NOW THEREFORE,

THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Gambling tax imposed. Pursuant to RCW 9.46.110, as the same now exists or may hereafter be amended, there is levied upon all persons, associations or organizations a tax on all gambling activities occurring within the City as permitted by state law at the following rates:

- A. Bingo or raffles at a rate of ten percent of the gross revenues received therefrom, less the amount awarded as cash or merchandise prizes; except for qualifying non-profit organizations as set forth in section 4, infra, which shall be taxed at a rate of five percent of the gross revenues received therefrom, less the amount awarded as cash or merchandise prizes.
- B. Amusement games at a rate of two percent of the sum of the gross revenues received therefrom, less the amount paid for as prizes, and which rate will generate an amount sufficient to pay the actual costs of enforcement of the provisions of this ordinance and RCW 9.46;
- C. Punchboards or pull-tabs at a rate of five percent of gross receipts.
- D. Social Card Games at 20% of gross revenue.

Section 2. Exemptions. No tax shall be imposed pursuant to this ordinance on bingo or amusement games when such gambling activities, or any combination thereof, are conducted by a bona fide charitable or nonprofit organization as defined in RCW 9.46.020, as the same now exists or may hereafter be amended, which organization has no paid operating or management personnel for the gambling activities and has gross income from bingo or amusement games, or any combination thereof, not exceeding five thousand dollars per year, less the amount paid for as prizes. No tax shall be imposed on the first \$10,000 of net proceeds from raffles conducted by bona fide charitable organizations.

Section 3. Administration of tax. The administration and collection of the tax imposed by Section 1 shall be by the City Clerk and pursuant to the rules and regulations of the Washington State Gambling Commission. The City Clerk is instructed and authorized to adopt appropriate reporting requirements, to ensure the effective administration of license holders exempt from the payment of the tax and to make such further rules and regulations for the purpose of carrying out the provisions of this ordinance.

Section 4. Charitable, nonprofit organization--Declaration of intent to conduct gambling activity; reduced taxes on punchboards and pull-tabs.

(A) For the purpose of identifying the persons, associations and organizations that shall be subject to the tax imposed by Section 1, any organization qualifying as a bona fide charitable or nonprofit organization pursuant to RCW 9.46., who desires to conduct or operate any bingo game, raffle or amusement game which requires licensing as provided in and authorized by RCW Chapter 9.46, as the same now exists or may be hereafter amended, 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 in accordance with RCW Chapter 9.46, as the same now exists or may be hereafter amended, as amended. Thereafter, for any period covered by such State license or any renewal thereof, any such licensed bona fide charitable or nonprofit corporation shall, on or before the fifteenth day of the month following the end of the month 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, for the purpose of ascertaining the tax due for the preceding monthly period.

(B) Effective August 1, 1997, any organization qualifying as a bona fide charitable or non-profit organization pursuant to the provisions of RCW 9.46, who desires to utilize punchboards or pull-tabs pursuant to RCW 9.46, shall make such intention known to the City Clerk, and shall remit to the City of University Place and there is hereby levied an excise or tax computed at the rate of ten percent based on gross receipts from the operation of the games less the amount awarded as cash or merchandise prizes. Gross income received in the conduct of such activity, computed by multiplying the number of chances played on said board or pull-tab times the price or value of each individual chance or play. Cash or merchandise awarded is computed by the amount of cash paid or cost of merchandise awarded.

Section 5. Tax due date--Delinquency.

- A. Tax imposed by Section 1 shall be due and payable in monthly installments, and remittance therefor shall accompany such return and be made on or before the fifteenth day of the month following the month in which the tax accrued.
- B. For each payment due, if such payment is not made by the due date thereof, there shall be added a penalty and interest as follows:
1. If paid 1 - 10 days late, there shall be a penalty of 10% added to the amount of tax due
 2. If paid 11 -20 days late, there shall be a penalty of 15% added to the amount of tax due;
 3. If paid 21 - 30 days late, there shall be a penalty of 20% added to the amount of tax due.
 4. If paid 31-60 days late, there shall be a penalty of 25% added to the amount of tax due.
 5. In addition to the above penalty, the City will charge the taxpayer interest of all taxes due at the rate of one percent (1%) per month or portion thereof that said amounts are past due.

Section 6. Financial records. It shall be the responsibility of all officers, directors and managers of any corporation conducting any gambling activities subject to taxation under this ordinance to make available at all reasonable times such financial records as the City Clerk may require to determine full compliance with this ordinance.

Section 7. Definitions. For the purposes of this ordinance, the terms used herein shall have the same meanings as defined in Chapter 9.46 RCW, as the same now exists or may hereafter be amended.

Section 8. Unlawful acts. It is unlawful for any person liable for the tax imposed by this ordinance to fail to pay the tax when due or for any person to make any false or fraudulent return or any false statement in connection with the return.


Section 9. Penalty. Any person violating any provision of this ordinance shall be guilty of a misdemeanor and upon conviction thereof punished pursuant to state law or city ordinance.

Section 10 Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 11. Repealing Ordinances Nos. 17 and 43. Ordinance Nos. 17 and 43 are hereby repealed.

Section 12. Publication and Effective date. A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. This ordinance shall take effect five days after publication.

PASSED BY THE CITY COUNCIL ON DECEMBER 15, 1997.




Linda Bird, Mayor

ATTEST:



Susan Matthew, City Clerk

APPROVED AS TO FORM:



Timothy X. Sullivan, City Attorney

Date of Publication: December 17, 1997
Effective Date: December 22, 1997