Ordinance No. 3460

(Amending or Repealing Ordinances)

CFN=175 – Business License
Passed 6/1/1999
Relating to gambling; amending Chapter 3.21; terminating the moratorium established in Res. 1525 and 1526; and further reducing the tax for bingo games and raffles

Amends Ords. 1888;2050;2034;3362;3949
ORDINANCE NO. 3460

AN ORDINANCE of the City Council of the City of Kent, Washington, relating to gambling; amending Chapter 3.21 of the Kent City Code prohibiting social card games conducted as a commercial stimulant; terminating the moratorium established in Resolutions 1525 and 1526; and further reducing the tax for bingo games and raffles pursuant to SSB 5745 recently passed by the Washington State legislature.

WHEREAS, as a result of 1997 legislation by the Washington State legislature amending the State's 1973 Gambling Act, food or drink establishments conducting social card games as a commercial stimulant have established enhanced card rooms resulting in gambling facilities that are different from earlier social card rooms which typically were ancillary uses to other primary uses such as restaurants; and

WHEREAS, a number of these establishments, also known as mini casinos, have opened in the South King County Region; and

WHEREAS, the City Council enacted a moratorium effective February 2, 1999 on the acceptance of applications for and the issuance of any license, permit, or approval for food or drink establishments conducting social card games as a commercial stimulant, to allow the City to study their impacts in the community; and

WHEREAS, since implementing this moratorium, the City Council has had the opportunity to study and review the following reports and research:

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4. **CitizenLink - Public Policy Research**, (various); and

WHEREAS, that allowing establishments conducting social card games as a commercial stimulant in a city that is concerned about its image and trying to attract residences, businesses, and investors to the City, as well as the City’s investment in major capital program projects into the City to attract these residences and businesses, is not in the City’s best interest; and

WHEREAS, private investment needed for the City’s planned development cannot occur if establishments conducting social card games as a commercial stimulant develop in the area; and

WHEREAS, prohibiting social card games conducted as a commercial stimulant as an exercise of the Council’s police powers and pursuant to legislative authority is in the best interest of the general health, safety, and welfare of the citizens of the City; and

WHEREAS, the council believes it is inappropriate to prohibit existing establishments conducting social card games as a commercial stimulant immediately without giving the owners of such licensed gambling establishments a reasonable time to make plans for alternative uses of their property; and

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WHEREAS, allowing present licensees to remain in operation for a limited time would give such licensees a reasonable time to phase out card rooms and make plans to convert their properties to other uses; and

WHEREAS, RCW 9.46.295 authorizes municipalities to prohibit certain gambling activities otherwise authorized under Chapter 9.46 RCW; and

WHEREAS, the City Council deems it to be in the public interest and welfare to prohibit social card games conducted as a commercial stimulant as defined in RCW 9.46.0282; and

WHEREAS, the Washington State legislature passed SSB 5745 during the 1999 legislative session reducing the maximum gambling tax for bingo games and raffles from 10% to 5% effective January 1, 2000; therefore, the council finds it appropriate to amend the City’s gambling tax code to reflect this change, and minor language changes consistent with state law, NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF KENT, WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Chapter 3.21 of the Kent City Code entitled “Gambling Tax” is hereby amended by amending Section 3.21.010 as follows:

Sec. 3.21.010. Gambling activities and tax. Tax imposed.

A. Tax imposed. In accordance with RCW 9.46.010 et seq, 9.46.110, there is levied a tax upon all persons, associations, and organizations who have been duly licensed by the Washington State Gambling Commission to conduct or operate certain gambling activities as follows:

1. Any Until January 1, 2000, taxation of bingo games and raffles, at a tax rate of ten (10) percent of the gross receipts revenue received therefrom less the amount
awarded paid for as cash or merchandise prizes, subject, however, to the provisions of
subsection C below. Effective January 1, 2000, taxation of bingo games and raffles at a
rate of five (5) percent of the gross receipts received therefrom less the amount awarded
as cash or merchandise prizes:

2. Any Taxation of amusement games, at a tax rate of in an amount sufficient
to pay the actual costs of enforcement of the provisions of RCW 9.46.010 et seq.,
provided, that such tax shall not exceed two (2) percent of the gross receipts revenue from
any such amusement games less the amount awarded as prizes, which is an amount less
than the actual amount of costs of enforcement by the City of the provisions of Ch. 9.46
RCW:

3. Taxation of punchboards punch boards and pulltabs pull-tabs for bona fide
charitable or nonprofit organizations and for commercial stimulant operators at a tax rate
of ten (10) percent is based on the gross receipts from the operation of the games less the
amount awarded as cash or merchandise prizes and shall not exceed a rate of ten (10)
percent;

4. Taxation of social card games not prohibited by subsection (D) below at
based upon a tax rate of ten (10) percent of the gross revenue from such games receipts
received therefrom.

B. Definitions. For the purposes of this chapter, the words and terms used herein shall
have the same meaning given to each pursuant to RCW Chapter 9.46, as same exist or
may from time to time be amended; and as set forth under the rules of the Washington
State Gambling Commission, Chapter 230, Washington Administrative Code, as the same
exists or may hereafter be amended, unless otherwise specifically provided herein.

C. Exemption from tax. No tax shall be imposed under the authority of this chapter
on bingo, raffles, or amusement games when such activities or any combination thereof
are conducted by any bona fide charitable or nonprofit organization as defined in Ch. 9.46
RCW, which organization has no paid operating or management personnel and has gross
receipts from bingo, raffles or amusement games, or any combination thereof, not
exceeding five thousand dollars ($5,000.00) per year less the amount awarded as cash or merchandise prizes.

D. Social card games - Prohibited - Exceptions. Pursuant to RCW 9.46.295 and to the City's police power and legislative authority, the operation or conduct of social card games by any person, association, or organization as a commercial stimulant, as defined in Chapter 9.46 RCW, is prohibited within the City of Kent; provided, that those establishments licensed by the Washington State Gambling Commission, lawfully operating in the City of Kent and in compliance with the provisions of this chapter as of February 2, 1999, may continue to operate social card games as a commercial stimulant under said license until March 1, 2004 after which date no such establishment may lawfully operate in the City of Kent; and further provided, that bona fide charitable or non-profit organizations, as defined in Chapter 9.46 RCW, may operate or conduct social card games if said social card games have been duly licensed by the Washington State Gambling Commission and if they are otherwise operated or conducted in compliance with the provisions of this chapter. A violation of this section shall not be subject to Section 1.01.140 of the Kent City Code.

SECTION 2. Termination of Moratorium. The moratorium on the acceptance of applications for and the issuance of any license, permit, or approval for food or drink establishments conducting commercial stimulant card games set forth in Resolution Nos. 1525 and 1526 shall terminate on the effective date of this ordinance.

SECTION 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.
SECTION 4. Effective Date. This Ordinance shall take effect and be in force thirty (30) days from and after the date of passage and publication as provided by law.

JIM WHITE, MAYOR

ATTEST:

BRENDA JACOBER, CITY CLERK, DEPUTY
DONNA SWAW

APPROVED AS TO FORM:

ROGER A. LUBOVICH, CITY ATTORNEY

PASSED: 1 day of June, 1999.
APPROVED: 2 day of June, 1999.
PUBLISHED: 4 day of June, 1999.

I hereby certify that this is a true copy of Ordinance No. 3462, passed by the City Council of the City of Kent, Washington, and approved by the Mayor of the City of Kent as hereon indicated.

BRENDA JACOBER, CITY CLERK,
DONNA SWAW, DEPUTY