ORDINANCE NO. 4084

AN ORDINANCE of the City Council of the city of Kent, Washington, amending Section 3.21.010 of the Kent City Code, entitled "Gambling activities and tax," reducing the tax rate for social card games only.

RECIDALS

A. The Great American Casino is the only house-banked social card room in the city of Kent.

B. The city has the authority to impose a 20% tax rate on gross revenues for house-banked social card rooms. The current tax rate is 11%.

C. The Great American Casino has requested that the city reduce the rate from 11% to 4% now through December 31, 2016 to correct the impact on their business and ability to remain viable.

D. After discussion, the city council determined that a reduction in the tax rate from 11% to 7% would be appropriate.
E. The city’s finance department has estimated that there will be a reduction of $30,548 in the city’s annual gambling tax revenue for every one percent reduction of the tax rate.

F. The city council has also determined that the reduction from 11% to 7% will expire on December 31, 2016.

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

ORDINANCE

SECTION 1. – Amendment. Section 3.21.010 of the Kent City Code, entitled “Gambling activities and tax,” is amended as follows:

Sec. 3.21.010. Gambling activities and tax.

A. Tax imposed. In accordance with RCW 9.46.110, the following taxes are levied upon all persons, associations, and organizations who have been duly licensed by the Washington State Gambling Commission to conduct or operate gambling activities:

1. For bingo games and raffles, a tax rate of five (5) percent of the gross receipts received therefrom less the amount awarded as cash or merchandise prizes;

2. For amusement games, a tax rate of two (2) percent of the gross receipts 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 Chapter 9.46 RCW;

3. For punch boards and pull-tabs for bona fide charitable or nonprofit organizations and for commercial stimulant operators, a tax rate
of ten (10) percent based on the gross receipts from the operation of the games less the amount awarded as cash or merchandise prizes;

4. **Commencing July 1, 2013,** for social card games not prohibited by subsection (D) of this section, a tax rate of eleven seven percent (11.7%) percent of the gross revenue from such those games. **Beginning January 1, 2017,** this tax rate will return to eleven percent (11%) of the gross revenue from those games.

B. **Definitions.** For the purposes of this chapter, the words and terms used herein shall have the same meaning given to each pursuant to Chapter 9.46 RCW, as same exist or may from time to time be amended; and as set forth under the rules of the Washington State Gambling Commission, WAC Title 230, 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 or amusement games when such activities or any combination thereof are conducted by any bona fide charitable or nonprofit organization as defined in Chapter 9.46 RCW, which organization has no paid operating or management personnel and has gross receipts from bingo or amusement games, or any combination thereof, not exceeding five thousand dollars ($5,000) per year less the amount awarded as cash or merchandise prizes. For raffles conducted by bona fide charitable or nonprofit organizations, no tax shall be imposed under this chapter on the first ten thousand dollars ($10,000) per year of gross receipts, less the amount awarded as cash or merchandise for 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 house-banked social card game establishments licensed by the Washington State Gambling Commission, lawfully operating in an area as described in RCW 9.46.295 and annexed by the city of Kent, and which are in compliance with the provisions of this chapter, may continue to operate house-banked social card games as a commercial stimulant under said license and renewals thereto at the original licensed location or at another location within the same annexation area; provided, however, that a relocated establishment must otherwise comply with applicable land use and Gambling Commission regulations. It is further provided that bona fide charitable or nonprofit 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 KCC 1.01.140.

**SECTION 2. - Corrections by City Clerk or Code Reviser.** Upon approval of the City Attorney, the City Clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; ordinance, section, or subsection numbering; or references to other local, state or federal laws, codes, rules, or regulations.

**SECTION 3. - Effective Date.** This ordinance shall take effect and be in force thirty (30) days after its passage and publication, as provided by law.

*KCC 3.21.010 Gambling activities and tax Ordinance*
I hereby certify that this is a true copy of Ordinance No. 4084 passed by the City Council of the City of Kent, Washington, and approved by the Mayor of the City of Kent as hereon indicated.