

VETOED 4-18-74

Introduced by: Robert B. Dunn
No: 74-69

ORDINANCE NO. 1966

AN ORDINANCE relating to gambling,
levying a tax, providing penalties
and repealing Ordinance 1245 and
K.C.C. 12.54.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. In accordance with Chapter 218 Laws of Washington, 1973 First Extraordinary Session, as amended, there is hereby levied upon all persons, associations and organizations who have been duly licensed to conduct or operate any bingo games, raffles and amusement games, a tax rate of ten per cent of the gross revenue received therefrom less the amount paid for or as prizes; and for the conduct or operation of any punch-boards or pull-tabs, a tax rate of five per cent of the gross receipts from such punch-boards or pull-tabs; and for the conduct or operation of any premises or facility used to play social card games, a tax rate of one dollar per year for each member up to \$100 maximum in the bona fide charitable or nonprofit organization, for each such premises or facility; and for the conduct or operation of any fishing derby a tax rate of \$25.00 for each such fishing derby.

SECTION 2. The administration and collection of the tax imposed by this ordinance shall be by the Department of Executive Administration, Comptroller Division and pursuant to rules and regulations as may be adopted by the Washington State Gambling Commission.

SECTION 3. For the purpose of identifying who shall be subject to the tax imposed by this ordinance, any person, association or organization intending to conduct or operate any gambling activity authorized by Chapter 218, Laws of Washington, 1973 First Extraordinary Session, as amended, shall, prior to commencement of any such activity file with the Comptroller Division a sworn declaration of intent to conduct or operate such activity, together with a copy of the license issued in accordance with said Chapter 218.

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1 Thereafter, for any period covered by such state license or
2 any renewal thereof, any person, association or organization,
3 shall on or before the fifteenth day of the month following the
4 end of the quarterly period in which the tax accrued, file with
5 the Comptroller Division a sworn statement, on a form to be
6 provided and prescribed by the Comptroller Division for the
7 purpose of ascertaining the tax due for the preceding quarterly
8 period.

9 SECTION 4. The tax imposed by this ordinance shall be due
10 and payable in quarterly installments, and remittance therefor
11 shall accompany each return and be made on or before the fifteenth
12 day of the month next succeeding the quarterly period in which
13 the tax accrued.

14 For each payment due, if such payment is not made by the due
15 date thereof, there shall be added a penalty as follows:

- 16 a. First to seventeen days delinquency, ten per cent
17 with a minimum penalty of two dollars.
18 b. Eighteen to forty days delinquency, fifteen
19 per cent with a minimum penalty of four dollars.
20 c. Forty-one or more days delinquency shall be
21 deemed to be a violation of this section.

22 SECTION 5. Any person who shall fail or refuse to pay the
23 tax herein before required, or who shall wilfully disobey any
24 rule or regulation promulgated by the Comptroller hereunder,
25 shall be guilty of a misdemeanor and upon conviction shall be
26 punished by imprisonment in the County Jail for not more than
27 ninety days or by a fine of not more than two hundred fifty
28 dollars or both. Any such fine shall be in addition to the tax
29 required. Officers, directors and managers of any organization
30 conducting gambling activities shall be jointly and severally
31 liable for the payment of said tax and for the payment of any
32 fine imposed hereunder.

1 SECTION 6. Incorporated areas within King County which
2 adopt an ordinance levying the tax on gambling activities are
3 hereby entitled to all tax revenue from such gambling activities
4 played or conducted within such incorporated areas. The incorpo-
5 rated area shall also be responsible for the administration and
6 enforcement of the taxing provisions of such ordinance within
7 their jurisdiction.

8 SECTION 7. The Comptroller or his authorized representative
9 shall:

10 a. Adopt, publish and enforce such rules and regulations
11 not inconsistent with this ordinance as are necessary to enable
12 the collection of the tax imposed by this ordinance in the
13 unincorporated areas of King County.

14 b. Prescribe and issue the appropriate forms for
15 determination and declaration of the amount of tax to be paid.

16 c. Have the power to enter into contracts with municipali-
17 ties for the collection of the tax imposed on gambling activities
18 conducted within such municipalities.

19 SECTION 8. The Director of the Department of Public Safety
20 shall have the power to enter into contracts with municipalities
21 for the enforcement of state laws, state rules and regulations
22 and city ordinances related to gambling activities.

23 SECTION 9. It shall be the responsibility of all officers,
24 directors and manager of any organization conducting gambling
25 activities to provide access to such financial records as the
26 Comptroller, Director of Public Safety, his authorized
27 representative or law enforcement representatives of local
28 municipalities may require in order to determine compliance
29 with this ordinance.
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1 SECTION 10. Ordinance No. 1245 and K.C.C. 12.54 are
2 hereby repealed.

3 SECTION 11. Should any section, paragraph, sentence, clause
4 or phrase of this ordinance or its application to any person or
5 circumstance be declared unconstitutional or otherwise invalid
6 for any reason, such decision shall not affect the validity of
7 the remaining portions of this ordinance or its application to
8 other persons or circumstances.

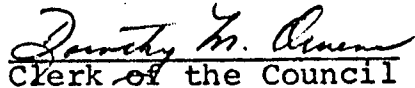
9 INTRODUCED AND READ for the first time this 28th day of
10 January, 1974.

11
12 PASSED this 15th day of April, 1974.

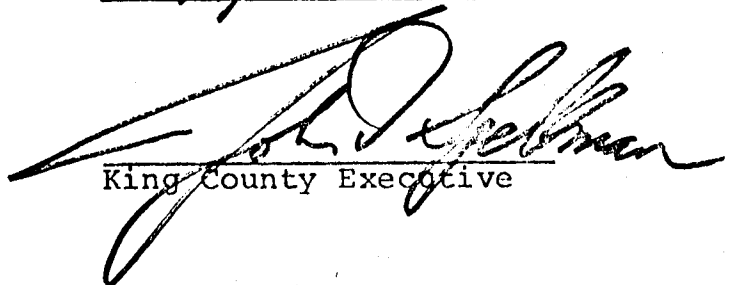
13
14 KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

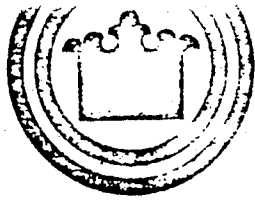
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16 
Chairman

17 ATTEST:

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Clerk of the Council

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21 ~~APPROVED~~ this 18th day of April, 1974.
22 **VETOED**

23
24 
King County Executive



County Executive

King County Courthouse
Seattle, Washington 98104
(206) 344-4040

April 19, 1974

Honorable Members
King County Council
B U I L D I N G

Honorable Members:

ORD. 1966

Attached is Ordinance 74-69, which I have vetoed largely because it does not prohibit the operation of punch boards and pull-tabs.

I cannot ignore the unanimous urgings of law enforcement officials in this county that see the proliferation of punch boards and pull-tabs as a step backward into a chapter from which we have just emerged.

A long and substantive list of problems would attend the operation of these devices. Unlike any other form of major gambling device, punch boards and pull-tabs are subject to special abuse because they are a manufactured gambling chance. Unlike a slotmachine or the drawing of a bingo ball, the manufacturer always knows where the winning tabs are located. The state law does not in any way control the manufacture of these devices. Only five companies presently make them and all are from out of state.

The long time that these devices sit on counters increases the chance of manipulation to defraud either the operator or the player. We have already experienced a problem of manipulation of a machine to defraud the operator. In this era of emphasis against consumer fraud, punch boards and pull-tabs stand out as examples of patent and ultimate consumer fraud.

They are not small business. One tavern in King County recently admitted to grossing \$10,000 in eighteen days on his punch boards and pull-tabs.

Where will this money go? Very little will be returned to the players. Punch boards and pull-tabs have historically returned one of the lowest percentages of any gambling device.

Only 5% can be taxed, which may well be less than the cost of the necessary additional law enforcement. The remainder of the vast amount of money will be retained by the manufacturers, distributors and operators. Even though those who initially enter the business may be local and legitimate, the lure of vast profits in gambling has historically attracted organized professional gambling and underworld interests.

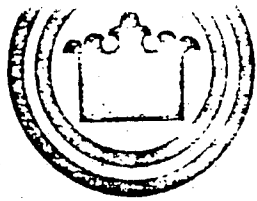
Unlike the other forms of gambling permitted by the state, punch boards and pull-tabs are commercial gambling. The "house" money does not go to charity or nonprofit corporations -- much of it goes to professional gambling interests.

Our law enforcement officials see the clear danger in making King County and the State of Washington one of the few places in the United States where punch boards and pull-tabs are legally permitted. As chief law enforcement officer of this County, I will not be responsible for the consequences of a failure to heed their very clear warnings.

Very truly yours,

John D. Spellman
County Executive

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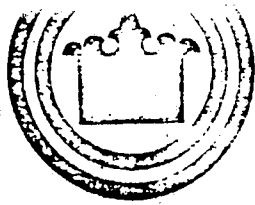
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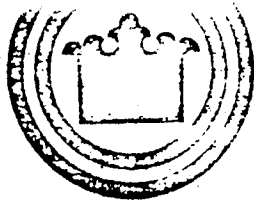
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