

**ORDINANCE NO. 765**

**AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON, AMENDING THE PROVISIONS OF CHAPTER 3.24 OF THE GIG HARBOR MUNICIPAL CODE, RELATING TO TAXATION AND THE REGULATION OF GAMBLING, AMENDING SECTIONS 3.24.020, 3.24.030, AND 3.24.040 TO INCORPORATE CHANGES IN LOCAL AUTHORITY PURSUANT TO CHAPTER 394 WASHINGTON LAWS, 1997, DECLARING AN EMERGENCY, AND ESTABLISHING AN EFFECTIVE DATE.**

---

WHEREAS, Chapter 394, Section 4 of the Laws of 1997 amended the legislative authority available to the City relating to the taxation of gambling, and

WHEREAS, Chapter 394, Section 4(3)(3) of the Laws of 1997 provides the City an option regarding the taxation of punchboards and pulltabs for commercial stimulant operators, providing that the rate may be based upon gross receipts from the operation of the games not to exceed five percent or may be based upon gross receipts from the operation of the games, less the amount awarded as cash or merchandise and may not exceed a rate of 10 percent, the City Council finds it to be in the best interests of the City to exercise the option in favor of five percent of gross receipts, and

WHEREAS, Chapter 394 of the Laws of 1997 takes effect on July 27, 1997, and the City's code must be amended as close to the effective date as possible to conform with state law, NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, DO  
ORDAIN AS FOLLOWS:

Section 1. Section 3.24.020 of the Gig Harbor Municipal Code is hereby amended to

read as follows:

### **3.24.020 Definitions**

For the purposes of this chapter, the words and terms used herein shall have the same meaning each has under ~~Chapter 218, Laws of 1973, 1st Extra Session, and Chapter 9.46 RCW, as amended, and under the rules of the Washington State Gambling Commission, Chapter 230 WAC, as the same exists or may hereafter be amended,~~ unless otherwise specifically provided herein, ~~or as the context in which they are used clearly indicated that they be given some other meaning.~~

Section 2. Section 3.24.030 of the Gig Harbor Municipal Code is hereby amended to

read as follows:

#### **Tax levied on designated activities C Amount.**

There is hereby levied upon all persons, associations and organizations conducting or operating within the City any of the ~~following~~ activities listed below a tax ~~as listed~~ to be paid to the City of Gig Harbor, Washington, in the amount hereinafter specified:

A. Bingo, and raffles: Operators shall pay a tax in the amount of equal to 10 percent of the gross receipts from a bingo game or raffle, less the amount paid for awarded as cash or merchandise prizes;

B. ~~Any p~~Punchboards, and pulltabs; ~~in the amount of five percent of the gross receipts~~

1. Commercial stimulant operators shall pay a tax in an amount equal to 5 percent of the gross receipts from the operation of punchboards and pulltabs; and

2. Bona fide charitable or nonprofit organizations shall pay a tax in an amount equal to 10 percent of the gross receipts from the operation of the games, less the amount awarded as prizes or merchandise.

C. Card playing; ~~in the amount of~~ Operators shall pay a tax equal to 20 percent of the gross receipts from such games.  
~~received as fees charged persons for the privilege of playing in card games.~~

D. Amusement games which are authorized for operation

pursuant to the provisions of the Washington Administrative Code shall be subject to the levy of a tax in the amount of 2 percent of the gross revenue therefrom receipts from the amusement game, less the amount paid for or as awarded as prizes. Such tax is for the purpose of providing for the City's actual costs of enforcement of the laws of the State of Washington and the ordinances of the City of Gig Harbor.

Section 3. Section 3.24.040 of the Gig Harbor Municipal Code is hereby amended to

read as follows:

**3.24.040 Exemptions C Charitable and nonprofit organizations.**

A.—~~The rate of tax on b~~Bingo, raffles, and amusement games conducted by a bona fide charitable or nonprofit organization shall be exempt from the tax imposed by GHMC Section 3.24.030(A) and (D), when such organization has no paid operating or management personnel, and its gross receipts from bingo or amusement games, or a combination thereof, does not exceed \$5,000 per year less the amount awarded as cash or merchandise. shall be five percent of the first \$50,000 of gross annual receipts, less the amount paid for prizes, and 10 percent of any gross receipts in excess of \$50,000 less the amount paid for prizes for organizations defined by RCW 9.46.020(3) as charitable or nonprofit.

B. No tax may be imposed on the first \$10,000 of gross receipts per year, less the amount awarded as cash or merchandise prizes, from raffles conducted by any bona fide charitable or nonprofit organization. Charitable or nonprofit organizations conducting such activities not more than once each calendar year and with less than \$10,000 gross annual receipts from such activities shall be exempt from taxation.

Section 4. 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 5. Declaration of Emergency. The City Council hereby declares that an emergency exists necessitating that this ordinance take effect immediately upon passage by a unanimous vote of the members of the City Council, and that the same not be subject to a referendum. Unless this ordinance takes effect immediately, the Gig Harbor Code will not comply with the new state law that took effect on July 27, 1997.

Section 6. Effective Date. Pursuant to GHMC 1.08.020(B), the City Council may pass an ordinance on the day of its introduction, upon the affirmative vote of a majority plus one of the whole membership of the Council. Because the City Council has declared the existence of an emergency, this ordinance shall become effective upon the unanimous vote of the City Council.

Section 7. Publication. This ordinance shall be published by an approved summary, which shall consist of the title.

APPROVED:

---

MAYOR, GRETCHEN A. WILBERT

ATTEST/AUTHENTICATED:

CITY CLERK, MOLLY M. TOWSLEE

APPROVED AS TO FORM:  
OFFICE OF THE CITY ATTORNEY:

BY \_\_\_\_\_

FILED WITH THE CITY CLERK: 8/15/97  
PASSED BY THE CITY COUNCIL: 8/25/97  
PUBLISHED: 9/3/97

EFFECTIVE DATE: 8/25/97  
ORDINANCE NO. 765

**SUMMARY OF ORDINANCE NO. 765**

of the City of Gig Harbor, Washington

---

On the 25th day of August, 1997, the City Council of the City of Gig Harbor, passed Ordinance No. 765. A summary of the content of said ordinance, consisting of the title, provides as follows:

AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON, AMENDING THE PROVISIONS OF CHAPTER 3.24 OF THE GIG HARBOR MUNICIPAL CODE, RELATING TO TAXATION AND THE REGULATION OF GAMBLING, AMENDING SECTIONS 3.24.020, 3.24.030, AND 3.24.040 TO INCORPORATE CHANGES IN LOCAL AUTHORITY PURSUANT TO CHAPTER 394 WASHINGTON LAWS, 1997, DECLARING AN EMERGENCY, AND ESTABLISHING AN EFFECTIVE DATE.

The full text of this Ordinance will be mailed upon request.

DATED this 26th day of August, 1997.

---

CITY CLERK, MOLLY TOWSLEE