

CLEARANCES	Initial	Date	Date Received in Council Office	Agenda Date	Assigned to:
Originator: Gabriela Lotruglio	SLR	7/7/08	RECEIVED JUL 15 2008 WHATCOM COUNTY COUNCIL	7/22/08	Introduction
Division Head:				8/5/08	Hearing
Dept. Head: Steven N. Oliver	SW	7/7/08			
Prosecutor	K.S.	7/6/08			
Purchasing/Budget:	BB	7/7/08			
Executive: <i>[Signature]</i>	OK	7-15-08			

SUBJECT:
Ordinance revising Whatcom County Code 3.40, "Tax on Bingo, Raffles, Punchboards and Pull Tabs" to reflect a tax on public cardrooms.

ATTACHMENTS:
Ordinance and Exhibit A

SEPA review required? () Yes () NO	Should Clerk schedule a hearing? (<input checked="" type="checkbox"/>) Yes () NO
SEPA review completed? () Yes () NO	Requested Date:

SUMMARY STATEMENT:
This ordinance levies upon all persons, associations and organizations conducting or operating within Whatcom County in regards to public cardrooms a tax of ten percent of the gross revenue.

Distribution Request	
<i>Indicate those who should receive a copy after Council action. List specific names to the right.</i>	
ADS Facilities Management	
ADS Finance	
ADS Human Resources	
ADS Info Services	
Assessor	
Auditor	
Cooperative Extension	
District Court	
Executive	
Health	
Hearing Examiner	
Jail	
Juvenile	
Parks	
Planning	
Prosecutor	
Public Works	
Sheriff	
Superior Court	
Treasurer	Gabriela Lotruglio
Other	

COUNCIL ACTION TAKEN:
 7/22/2008: Introduced
 8/05/2008: Council Adopted 5-2 Nelson & Brenner opposed Ord. 2008-031

Related County Contract #:

Related File Numbers:
Ordinance or Resolution Number (this item): Ord. 2008-031

SPONSORED BY: Consent
PROPOSED BY: Treasurer
INTRODUCTION DATE: 7/22/2008

ORDINANCE NO: 2008-031

AMENDING WHATCOM COUNTY CODE 3.40, TAX ON BINGO, RAFFLES,
PUNCHBOARDS AND PULL TABS

WHEREAS, on May 20, 2008, Whatcom County repealed the prohibition of public cardrooms in unincorporated areas of Whatcom County; and

WHEREAS, RCW Chapter 9.46.110 allows the county to impose a tax on the gross revenue of public cardrooms throughout the unincorporated areas of Whatcom County.

NOW THEREFORE, BE IT ORDAINED that a tax shall be imposed of ten percent on public cardrooms operating throughout the unincorporated areas of Whatcom County.

BE IT FURTHER ORDAINED by the Whatcom County Council that Whatcom County Code 3.40 is hereby amended as indicated in Exhibit A to this ordinance.

BE IT FURTHER ORDAINED that this amendment shall take effect on August 15, 2008.

ADOPTED this 5th day of August, 2008.

WHATCOM COUNTY COUNCIL
WHATCOM COUNTY, WASHINGTON



Dana Brown Davis
Council Clerk

Carl Weimer
Council Chair

APPROVED AS TO FORM:

() Approved () Denied

Randall J. Watts
Civil Deputy Prosecutor

Pete Kremen
County Executive
Date: 8-2-08

Exhibit A

Chapter 3.40 TAX ON BINGO, RAFFLES, PUNCHBOARDS, AND PULL TABS AND PUBLIC CARDROOMS

Sections:

- 3.40.010 Definitions.
- 3.40.020 Tax levied.
- 3.40.030 Bona fide charitable or nonprofit organizations.
- 3.40.040 Tax collected by county treasurer.
- 3.40.050 Payments computed and paid semi-annually.
- 3.40.060 Method of payment.
- 3.40.070 Failure to make timely payment of tax or fee.
- 3.40.080 Notice of intention to engage in activity to be filed.
- 3.40.090 Records required.
- 3.40.100 Tax additional to others.
- 3.40.110 Taxes, penalties and fees constitute debt to municipality.
- 3.40.120 Tax revenue to be used for law enforcement.

3.40.010 Definitions.

Definitions contained in Chapter 9.46 RCW as now exist are adopted by reference in this chapter. (Ord. 81-14 § 1).

3.40.020 Tax levied.

In accordance with the provisions of Chapter 9.46 RCW, there is levied upon all persons, associations and organizations conducting or operating within this jurisdiction any of the activities listed below a tax in the following amounts to be paid to Whatcom County, Washington:

A. Bingo and/or Raffles. There shall be a tax imposed on bingo games and/or raffles in the amount of the gross receipts therefrom less the amount of money paid as cash, and paid for merchandise, actually awarded as prizes during the taxable period, multiplied by the rate of two percent.

B. Punchboard and Pull Tabs, Chances on Which Shall Only Be Sold to Adults. There shall be a tax imposed on any punchboards or pull tabs in the amount of five percent of the net receipts obtained directly from the operation of the punchboards or pull tabs themselves; provided, and subject to the provisions of WCC 3.40.030, punchboards and pull tabs offered by bona fide charitable or nonprofit organizations shall be taxed in the amount of two percent of the net

receipts obtained directly from the operation of the punchboards or pull tabs themselves. (Ord. 2006-002 Exh. A; Ord. 99-088; Ord. 81-14 § 2).

C. Public Cardrooms. There shall be a tax imposed on public cardrooms in the amount of ten percent of the gross receipts received as fees charged to persons for the privilege of playing card games.

3.40.030 Bona fide charitable or nonprofit organizations.

No tax shall be imposed under this chapter on bingo, raffles, or amusement games except for public cardrooms when such activities or any combination thereof are conducted by any bona fide charitable or nonprofit organization as defined in RCW 9.46.020(3), which organization has not paid operating or management personnel, and has gross income from bingo, raffles or amusement games, or any combination thereof, not exceeding \$10,000 per year, less the amount paid for as prizes. Any organization claiming an exemption under this section must remit semi-annually gambling tax returns to the Whatcom County treasurer in a form which complies with the reporting requirements of WCC 3.40.040 for any period when activity occurs whether or not taxes are owed. Once the organization has exceeded \$10,000 in gross receipts in a single calendar year, the organization is then subject to the two percent gambling taxes on activities that occur within the jurisdiction of Whatcom County. (Ord. 2006-002 Exh. A; Ord. 2004-029; Ord. 81-14 § 3).

3.40.040 Tax collected by county treasurer.

A. The administration and collection of the tax imposed by this chapter shall be by the Whatcom County treasurer pursuant to the terms of this chapter and such rules and regulations as may be adopted by the Washington State Gambling Commission. Remittance of the amount due shall be accompanied by a completed return form prescribed and provided by the county treasurer. The taxpayer shall be required to swear and affirm that the information given in the return is true, accurate, and complete.

B. In addition to the return form, a copy of the taxpayer's semi-annual report to the Washington State Gambling Commission required by Chapter 230-08 WAC for the period in which the tax accrued, shall accompany remittance of the tax amount due.

C. Whatcom County may adopt from time to time such rules and regulations as may be reasonably necessary to enable the collection of the tax imposed in this chapter. (Ord. 2006-002 Exh. A; Ord. 81-14 § 4).

3.40.050 Payments computed and paid semi-annually.

Each of the various taxes imposed by this chapter shall be computed on the basis of activity during each calendar half-year, and shall be due and payable in semi-annual installments, and remittance therefor, together with return forms,

shall be made to the Whatcom County treasurer, on or before the last day of the month next succeeding the period in which the tax accrued; that is, on January 31st and July 31st of each year; provided, that the following exceptions to this payment schedule shall be allowed, or required: Whenever any person, association or organization taxable under this chapter, conducting or operating a taxable activity on a regular basis, discontinues operation of that taxable activity for a period of more than four consecutive weeks, or quits business, sells out, or otherwise disposes of its business, or terminates the business, any tax due under this chapter shall become due and payable, and such taxpayer shall, within 10 days thereafter, make a return and pay the tax due. (Ord. 2006-002 Exh. A; Ord. 81-14 § 5).

3.40.060 Method of payment.

Taxes payable under this chapter shall be remitted to the Whatcom County treasurer, on or before the time required, by bank draft, certified check, cashier's check, personal check, money order or cash. If payment is made by draft or check, the tax shall not be deemed paid until the draft or check is honored in the usual course of business, nor shall the acceptance of any sum by the county treasurer be an acquittance or discharge of the tax unless the amount paid is the full amount due. (Ord. 2006-002 Exh. A; Ord. 81-14 § 6).

3.40.070 Failure to make timely payment of tax or fee.

A. If full payment of any tax or fee due under this chapter is not received by the Whatcom County treasurer on or before the date due, there shall be added to the amount due a penalty fee as follows:

1. One to 10 days late, five percent of tax due;
2. Eleven to 20 days late, 10 percent of tax due;
3. Twenty-one to 30 days late, 15 percent of tax due;
4. Thirty-one to 60 days late, 20 percent of tax due; but in no event shall the penalty amount be less than \$5.00. In addition to this penalty, the county treasurer may charge the taxpayer interest of eight percent of all taxes and fees due for each 30-day period, or portion thereof, that said amounts are past due.

B. Failure to make payment in full of all tax amounts, and penalties, within 60 days following the day the tax amount initially became due shall be a civil violation of this section. (Ord. 2006-002 Exh. A; Ord. 81-14 § 7).

3.40.080 Notice of intention to engage in activity to be filed.

In order that Whatcom County may identify those persons who are subject to taxation under this chapter, each person, association or organization shall file with the county treasurer a sworn declaration of intent to conduct an activity taxable

under this chapter upon a form to be prescribed by the county treasurer, together with a copy of the license issued therefor by the Washington State Gambling Commission. The filing shall be made not later than 15 days prior to conducting or operating the taxable activity. No fee shall be charged for such filing, which is not for the purpose of regulation of this activity, but for the purposes of administration of this taxing chapter only. (Ord. 2006-002 Exh. A; Ord. 81-14 § 8).

3.40.090 Records required.

A. Each person, association or organization engaging in an activity taxable under this chapter shall maintain records respecting that activity which truly, completely and accurately disclose all information necessary to determine the taxpayers' tax liability under this chapter during each base tax period. Such records shall be kept and maintained for a period of not less than three years. In addition, all information and items required by the Washington State Gambling Commission under Chapter 230-08 WAC, and the United States Internal Revenue Service respecting taxation, shall be kept and maintained for the periods required by those agencies.

B. All books, records and other items required to be kept and maintained under this section shall be subject to, and immediately made available for, inspection and audit at any time, with or without notice, at the place where such records are kept, upon demand by the county treasurer or his designees, for the purpose of enforcing the provisions of this taxing chapter.

C. Where a taxpayer does not keep all of the books, records, or items required to be kept or maintained under this section in this jurisdiction so that the county treasurer or authorized officer may examine them conveniently, the taxpayer shall either:

1. Produce all of the required books, records or items within this jurisdiction for such inspection within 10 days following a request of the local official that he do so; or
2. Bear the actual cost of inspection by the county treasurer or his designee, at the location at which such books, records or items are located; provided, that a taxpayer choosing to bear these costs shall pay in advance to said officer the estimated cost thereof, including but not limited to round-trip fare by the most rapid means, lodging, meals and incidental expenses. The actual amount due, or to be refunded, for expenses shall be determined following said examination of the records. (Ord. 2006-002 Exh. A; Ord. 81-14 § 9).

3.40.100 Tax additional to others.

The tax levied in this chapter shall be additional to any license fee or tax imposed or levied under any law or any other ordinance of Whatcom County,

except as otherwise expressly provided in this chapter. (Ord. 2006-002 Exh. A; Ord. 81-14 § 10).

3.40.110 Taxes, penalties and fees constitute debt to municipality.

Any tax due and unpaid under this chapter and all penalties or fees shall constitute a debt to Whatcom County, a municipal corporation, and may be collected by court proceedings the same as any other debt in like amount which shall be in addition to all other existing remedies. (Ord. 2006-002 Exh. A; Ord. 81-14 § 11).

3.40.120 Tax revenue to be used for law enforcement.

The revenue collected pursuant to this chapter shall be used primarily for the purpose of enforcement of Chapter 9.46 RCW by the Whatcom County sheriff as provided in RCW 9.46.113. (Ord. 2006-002 Exh. A; Ord. 81-14 § 12).