

**CITY OF LIBERTY LAKE
SPOKANE COUNTY, WASHINGTON
ORDINANCE NO. 23**

**AN ORDINANCE OF THE CITY OF LIBERTY LAKE, WASHINGTON, PROVIDING
FOR THE TAXATION OF CERTAIN GAMBLING ACTIVITIES, PROVIDING
PENALTIES FOR VIOLATION THEREOF AND ESTABLISHING AN EFFECTIVE
DATE.**

WHEREAS, RCW 9.46.110 empowers cities to provide for the taxing of any gambling activities within its jurisdiction; and

WHEREAS, the City Council of the City of Liberty Lake finds that it is in the best interest of the City to impose a gambling tax on certain gambling activities,

NOW, THEREFORE, the City Council of the City of Liberty Lake, Washington, do ordain as follows:

Section 1. **Definitions.** For the purposes of this Ordinance, the terms used herein shall have the meanings provided in Chapter 9.46 RCW, as the same now exists or may hereafter be amended, and as further provided by the rules and regulations of the Washington State Gambling Commission, as set forth in Chapter 230 of the Washington Administrative Code as the same now exists or may hereafter be amended, unless otherwise specifically provided herein.

Section 2. **Imposition of Tax.** Pursuant to RCW 9.46.110 as the same now exists or may hereafter be amended, there is levied upon all persons, associations or organizations conducting or operating in the City any of the activities listed below a tax to be paid to the City, in the amount hereinafter specified:

A. Bingo and raffles: A tax in the amount equal to five percent (5%) of the gross receipts from a bingo game or raffle, less the amount awarded as cash or merchandise prizes.

B. Punchboards and pulltabs

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

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

C. Social card playing: Operators shall pay a tax equal to fifteen percent (15%) of the gross receipts from such 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 two percent (2%) of the gross receipts from the amusement game, less the amount awarded as prizes. Such tax is for the purpose of providing the City's actual costs of enforcement of the laws of the State of Washington and the City's ordinances.

Section 3. Exemptions - Charitable and Nonprofit Organizations.

A. Bingo and amusement games conducted by a bona fide charitable or nonprofit organization shall be exempt from the tax imposed by Section 2, 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, merchandise or prizes.

B. No tax may be imposed on the first \$10,000 of gross receipts, less the amount awarded as cash or merchandise prizes, from raffles conducted by any bona fide charitable or nonprofit organization as defined in RCW 9.46.110.

Section 4. Payment of Tax. The tax imposed by this Ordinance shall be due and payable in quarterly installments, and remitted to the City Clerk/Treasurer, together with the required information on the return form(s), as prescribed by the City Clerk/Treasurer, on or before the 15th day of month succeeding the quarterly period in which the tax accrued. Any tax remaining unpaid on the 16th day of the month next succeeding the quarterly period in which the tax accrued shall be delinquent, PROVIDED HOWEVER:

A. Whenever an entity subject to the tax imposed by this Ordinance ceases the taxable activity for a period of more than two consecutive calendar months the tax shall become due and payable on the 10th calendar day following the last date of business.

B. Whenever the City Clerk/Treasurer, upon the concurrence of the City Administrator, determines based upon a history of delinquent payment or an assignment for the benefit of creditors, or such other evidence that the City's ability to collect the tax owing from the taxpayer may be in jeopardy, the City Clerk/Treasurer, after not less than ten days written notice to the taxpayer, may require the taxpayer to remit taxes owing hereunder at a shorter interval than required herein. Notice shall be given by regular and certified mail. In the event that the certified mail is refused by the taxpayer and returned to the City, notice shall be deemed effective upon the date of mailing of the notice by regular mail.

Section 5. Administration of Collection. The City Clerk/Treasurer is hereby

authorized to create a gambling tax form, which shall be available to the public in reasonable numbers in the City Clerk/Treasurer's office during regular business hours. Taxes paid hereunder shall be accompanied by the gambling tax return form and a copy of the taxpayer's quarterly report to the Washington State Gambling Commission for the period in which the tax has accrued. The taxpayer shall be required to swear and affirm under penalty of perjury under the laws of the State of Washington that the information given in the return is true, accurate and complete.

The City Clerk/Treasurer is authorized, but not required, to mail to taxpayers gambling tax return forms for remitting the tax owing hereunder. Failure of the taxpayer to receive such a form shall not excuse timely payment of all taxes due and owing hereunder.

Section 6. **Delinquent Taxes - Lien Authorized - Collection Actions.** Whenever any tax imposed hereunder shall become delinquent, the City Clerk/Treasurer is authorized to file a lien upon the personal and real property used in the gambling activity taxable by this Ordinance in the same manner as provided for under RCW 84.60.010, as the same now exists or may hereafter be amended. Pursuant to RCW 9.46.110 as the same now exists or may hereafter be amended, the lien shall attach on the date the tax becomes due and shall relate back and have priority against the real and personal property to the same extent as ad valorem taxes. The City is further authorized to bring a civil action to collect fees, interest, penalties and delinquent taxes owing hereunder pursuant to RCW 9.46.350, as the same now exists or may hereafter be amended.

Section 7. **Late Penalty - Interest.**

A. If a payment of any tax imposed hereunder becomes delinquent, there shall be added to said tax a late penalty in an amount as may be established from time to time by resolution of the City Council.

B. In addition to an assessment of late penalties, any quarterly tax payment no paid by the due date shall bear interest at twelve percent (12%) per annum or the maximum legal rate, whichever is greater.

Section 8. **Notice of Intention to Engage in Gambling Activity - Filing with City.** For the purposes of identifying those subject to the taxes imposed by this Ordinance, each person, association or organization intending to conduct or operate any gambling activity which requires a license pursuant to Chapter 9.46 RCW as the same exists or may hereafter be amended, shall no later than five days prior to the commencement of any such gambling activity, file with the City Clerk/Treasurer a sworn declaration of intent to conduct or operate such activity on a form to be prescribed by the City Clerk/Treasurer, together with a copy of any license issued for that gambling activity by the Washington State Gambling Commission or its designee.

Section 9. **Inspection and Audit of Premises, Paraphernalia, Books and Records.**

A. The premises and paraphernalia, and all the books and records of any person, association or organization conducting gambling activities pursuant to Chapter 9.46 RCW as now existing or hereafter amended, and any person, association or organization receiving profits therefrom or having any interest therein shall be subject to inspection and audit at any reasonable time, with or without notice, upon demand, by the Chief of Police, or his or her designee for the purpose of determining compliance or noncompliance with the provisions of this ordinance, Chapter 9.46 RCW, and any rules or regulations adopted thereunder. A reasonable time for the purpose of this section shall be (1) if the items or records to be inspected or audited are located anywhere upon a premises, any portion of which is regularly open to the public or members and guests, then at any time when the premises are so open, or which they are usually open; or (2) if the items or records to be inspected or audited are not located upon the premises set out in subsection (1) above, then at any time between the hours of 8:00 a.m. and 9:00 p.m., Monday through Friday.

B. Each person, organization or association engaging in any gambling activity taxable under this Ordinance shall maintain records respecting that activity which truly, completely and accurately disclose all information necessary for the City to determine the taxpayer's tax liability hereunder during each base tax period. Such records shall be kept and maintained for a period of not less than five (5) years.

C. It shall be the responsibility of each individual taxpayer, and for organizations, associations, or corporations, the responsibility of each owner, officer, director or manager thereof, to make available at the times set forth above such financial records and information as the City Clerk/Treasurer or his or her designee may require in order to determine full compliance with this Ordinance.

Section 10. Penalties.

A. Whoever, in any application for a license or in any book or record required to be maintained by this Ordinance or by the Washington State Gambling Commission or in any report required to be submitted to said Commission or to the City hereunder, shall make any false or misleading statement, or make any false or misleading entry or willfully fail to maintain or make any entry required to be maintained or made, or who willfully refuses to produce for inspection by the Commission or its designee, any book, record or document required to be maintained or made by Federal or State law, or this Ordinance, shall be guilty of a gross misdemeanor subject to the penalties set forth in RCW 9A.20.021, as now existing or hereafter amended.

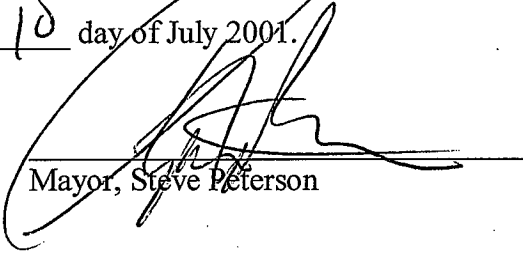
B. RCW 9.46.185, 9.46.190 and 9.45.195, as now existing or hereafter amended, are hereby adopted by this reference as if set forth fully herein.

C. In addition to any other penalty authorized by this Ordinance, any person, association or organization violating any provision of this chapter may be subject to loss of its business license.

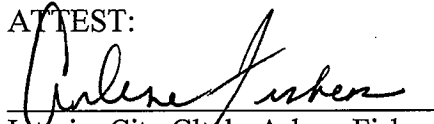
Section 11. Severability. If any section, sentence, clause or phrase of this ordinance shall be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 12. Effective Date. This Ordinance shall be in full force and effect five (5) days after publication of the Ordinance Summary, and on the date of incorporation.

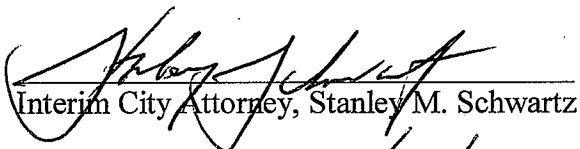
PASSED by the City Council this 10 day of July 2001.


Mayor, Steve Peterson

ATTEST:


Interim City Clerk, Arlene Fisher

APPROVED AS TO FORM:


Interim City Attorney, Stanley M. Schwartz

Date of Publication: 7/18/01

Effective Date: Date of Incorporation