

Chapter 5.53

SOCIAL CARD GAMES

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5.53.010 Applicable State Law.

Any license issued under the authority of state law to engage in any legal activity shall be legal authority to engage in the gambling activities for which the license was issued throughout the City, except that the City, in accordance with RCW 9.46.295, as the same now exists or may hereafter be amended, prohibits house-banked card games:

It is unlawful within City limits for any person to allow any premises or any facilities to be used for the purpose of conducting house-banked card games as described in WAC 230-05-025(2) as now in effect or hereinafter amended. “House-

banking” is hereby defined to mean any procedure employed by the card room where the operator collects money from the losers and pays it to the winners.

5.53.020 Non-house-banked Card Games and Social Card Games by Nonprofit and Charitable Organizations Specifically Permitted.

The prohibition of house-banked card games described in 5.53.010 shall not apply to all other card games authorized by RCW 9.46.0311 and 9.46.0351 and WAC 230-05-020(3), 230-05-025(1) and (3) as now in effect or hereinafter amended.

5.53.030 Tax Rate Imposed on Social Card Games.

A. Pursuant to RCW 9.46.110 that allows a city to impose a tax on any gambling activity which is not prohibited by state law or city ordinance, social card games shall be taxed at ten (10) percent of gross revenue.

B. Lien. Taxes imposed under this chapter become a lien upon personal and real property used in the gambling activity in the same manner as provided for under RCW 84.60.010. The lien shall attach on the date the tax becomes due and shall relate back and have priority against real and personal property to the same extent as ad valorem taxes.

5.53.040 Tax Payments.

A. Monthly Return and Payment. At the option of the taxpayer, any tax payable under this Chapter may be reported and paid in monthly installments. In addition, monthly reporting and payments shall be required of taxpayers

who fail to timely report and file returns when due for two reporting periods, and taxpayers who have not timely paid any tax due imposed by this Chapter to the City within thirty (30) days of the date said tax is due. Monthly reports and payment shall be due on the 15th day of the month next succeeding the month for which the report and payment is due.

- B. Annual Return and Payment. Whenever the total tax for which any person is liable under this Chapter does not exceed the sum of \$2.00 for any quarterly period, an annual return may be made upon written request and subject to the approval of the City Treasurer.
- C. Semi-Annually. In all other instances, semi-annual reports and payments of tax imposed by this chapter shall be due and payable in semi-annual installments. The semi-annual terms shall be January 1 through June 30 and July 1 through December 31 of each year. Tax remittances therefore shall be made on or before the last day of the month next succeeding the end of the semi-annual period in which the tax accrued.
- D. Supporting Documentation. All gambling tax reports shall include a copy of the taxpayer's Organizational Activity Report as outlined and required under this Chapter and WAC 230-08-130, 230-08-165, and/or 230-08-160. Regardless of the reporting period, all remittances shall be by bond, draft, certified check, and cashier's check, money order, or in cash, and shall be accompanied by a return on a form to be provided and prescribed by the City Treasurer. The taxpayer shall be required to swear or affirm that the information given on the

tax return is full and true and that the taxpayer knows the same to be so.

5.53.050 Taxpayer to Keep Records.

It shall be the duty of each taxpayer taxed pursuant to this chapter to keep and enter in a proper book or set of books or records an account which shall accurately reflect the amount of the gross revenue received from social card games.

5.53.060 City Finance Officer to Investigate Returns.

If any taxpayer fails to make his return, or if the City Finance Officer is dissatisfied as to the correctness of the statements made in the return of any taxpayer, said officer or his authorized agent may enter the premises of such taxpayer at any reasonable time for the purpose of inspecting his books or records of account to ascertain the amount of the tax or to determine the correctness of such statements, as the case may be, and may examine any person under oath administered by said officer or his agent, touching the matters inquired into, or said officer or his authorized agent may fix a time and place for an investigation of the correctness of the return and may issue a subpoena to the taxpayer, or any other person, to attend upon such investigation and there testify, under oath administered by said officer or his agent, in regard to the matters inquired into and may, by subpoena, require him, or any person, to bring with him such books, records and papers as may be necessary.

5.53.070 Extension of Time Penalties.

The City Finance Officer for good cause shown may extend the time for making and filing any return as required under this chapter, and may grant such reasonable additional time within which to file such return as he may deem proper. Provided,

that any extension in excess of thirty days shall be conditioned upon payment of interest of one-half of one percent for each thirty days or portion thereof on the amount of the tax from the date upon which tax becomes due. If tax return and/or payment are not received within fifteen days of due date, a penalty must be included as follows: If sixteen to forty-five days delinquent, ten percent of the tax with a minimum penalty of one dollar; if forty-six to seventy-five days delinquent, fifteen percent of the tax with a minimum penalty of two dollars; if seventy-six or more days delinquent, twenty percent of the tax with a minimum penalty of three dollars.

5.53.080 Over or Under Payment of

Tax. If the City Finance Officer upon investigation or upon checking returns finds that the tax paid on any of them is more than the amount required of the taxpayer, he shall refund the amount overpaid by a warrant upon the general fund. If the City Finance Officer finds that the tax paid is less than Section 5.53.030 required, he shall mail a statement to the taxpayer showing the balance due, who shall within ten days pay the amount shown thereon.

5.53.090 Failure to Make Return.

If any taxpayer fails, neglects, or refuses to make his return as and when required herein, the City Finance Officer is authorized to determine the amount of the tax payable, and by mail to notify such taxpayer of the amount so determined. The amount so fixed shall thereupon become the tax and be immediately due and payable.

5.53.100 Appeal to City Council.

Any taxpayer aggrieved by the amount of the tax found by the City Finance Officer to be required under the provisions of this Chapter

may appeal to the City Council from such finding by filing a written notice of appeal with the City Finance Officer within five days from the time such taxpayer was given notice of such amount. The City Finance Officer shall, as soon as practicable, fix a time and place for the hearing of such appeal, which time shall be not more than ten days after the filing of the notice of appeal, and he shall cause a notice of hearing, and a notice of the time and place thereof to be mailed to the applicant. At such hearing, the taxpayer shall be entitled to be heard and to introduce evidence in his own behalf. The City Council shall thereupon ascertain the correct amount of the tax by resolution and the City Finance Officer shall immediately notify the appellant thereof by mail, which amount, together with costs of the appeal, if appellant is unsuccessful therein, must be paid within ten (10) days after such notice is given.

The City Manager may, by subpoena, require the attendance of any person, and may also require him to produce any pertinent books and records. Any person with such subpoena shall appear at the time and place therein stated and produce the books and records required, if any, and shall testify truthfully under oath administered by the Manager as to any matter required of him pertinent to the appeal and it shall be unlawful for him to fail or refuse so to do.

5.53.110 City Manager to Make Rules.

The City Manager shall have the power, and it shall be his duty, from time to time, to adopt, publish, and enforce rules and regulations not inconsistent with this chapter or with law for the purpose of carrying out the provisions hereof, and it shall be unlawful to violate or fail to comply with any such rule.

5.53.120 False Returns – Unlawful. It is unlawful for any person liable to tax hereunder to fail or refuse to make the returns as and when required or to pay the tax when due, or for any person to make any false or fraudulent return or any false statement or representation in, or in connection with, any such return, or to aid or abet another in any attempt to evade payment of the tax, or any part thereof, or for any person to fail to appear and/or testify in response to subpoena issued pursuant hereto, or to testify falsely upon any investigation of the correctness of a return or upon the hearing of any appeal, or in any manner to hinder or delay the City or any of its officers in carrying out the provisions of this chapter.

5.53.130 License Fee – Additional to Others. The tax herein levied shall be additional to any license fee or tax imposed under the Snohomish Municipal Code or levied under any law or any other ordinance of Snohomish, a municipal corporation, except as herein otherwise expressly provided.

5.53. 140 Violation. Violation of this Chapter shall be considered a civil violation pursuant to SMC 1.01.080 and Chapter 1.14 SMC, except as otherwise provided therein.