



Staff Request for New Rule

WAC 230-17-192 Submission of electronic or mechanical gambling equipment during rule-making.

October 2017 – Further Discussion
September 2017 – Discussion and Possible Filing

Tab 6: October 2017 Commission Meeting Agenda.	Statutory Authority 9.46.070
Who Proposed the Rule Change?	
Staff	
Describe the Rule Change	
<p><u>Bold/Underline = Changes made after the September 2017 Commission Meeting</u></p> <p>Staff is requesting a new rule to require a manufacturer or its designee to submit electronic or mechanical gambling equipment for evaluation during rule-making.</p> <p><u>This rule change would allow staff to request and evaluate equipment during the rule-making process.</u></p> <p><u>The manufacturer would not be required to submit an application or fees for this evaluation during the rule-making process.</u></p> <p><u>If the new rule or rule change is adopted, thereby authorizing the use of such gambling equipment, the manufacturer would be required to submit an application and fees to us for our review and approval prior to selling or leasing the gambling equipment in the state, as outlined in WAC 230-06-050.</u></p> <p><u>Attachments:</u></p> <ul style="list-style-type: none"> • <u>WAC 230-06-050 Review of electronic or mechanical gambling equipment.</u> 	
Policy Considerations	
<p>When a petition for rule-making involves new gambling equipment or a new concept involving gambling equipment, staff feels it is necessary to include a review of the gambling equipment as part of the rule-making process. A review of the gambling equipment during the rule-making process would ensure:</p> <ul style="list-style-type: none"> • Staff has a clear understanding of how the equipment works; • Regulatory guidelines can be addressed during the rule-making process; and • More effective rule-making can occur as a result of understanding how the gambling equipment operates. 	
Stakeholder Feedback	
<p><u>Victor Mena – Testified at the September commission meeting with concerns this new rule would be costly for small manufacturers and inhibit new gambling equipment and games in the state.</u></p>	

NEW SECTION

WAC 230-17-192 ~~Submission of~~Rule making that involves new or novel electronic or mechanical gambling equipment during rule-making. (1)

A manufacturer or its designee is required to submit electronic or mechanical gambling equipment for evaluation during rule-making when:

~~(a) The equipment or intended use of the equipment is new or novel in Washington state; and~~

~~(b) t~~The commission is considering~~has~~ takingen action to adopt, change, or repeal a rule in order to authorize use of the gambling equipment.

(2) When we are ready to begin our equipment evaluation, we will notify the manufacturer or its designee in writing. The manufacturer or its designee will have thirty days from the date of our written request to submit the requested electronic or mechanical gambling equipment to our headquarters, directly or through a designee, or we may administratively close our review and deny the requested rule change.

(3) Manufacturers or their designee must submit:

(a) The gambling equipment, including all relevant software, that is identical or substantially similar to what will be marketed, distributed, and deployed in Washington;

(b) A copy of detailed technical materials and diagrams associated with the equipment and software, and all of the operational procedures and manuals, including relevant hardware and software manuals; and

(c) Other technical specifications as requested by the commission.

(4) The manufacturer or its designee must install, configure, and support the equipment/software to allow us to fully evaluate its operation. Evaluation may include, but is not limited to, interoperability, communication, security, and player protection issues.

(5) We will notify the manufacturer or their designee in writing if we require additional equipment or information for our evaluation. The manufacturer or its designee must provide us with the requested equipment or information within thirty days from the date of our written request or we may administratively close our review and deny the requested rule change.

[]

WAC 230-06-050 Review of electronic or mechanical gambling equipment.

(1) When you submit gambling equipment, supplies, services, or games for our review to verify compliance with chapter [9.46 RCW](#) and Title 230 WAC, you must pay the application deposit before we perform the review. You must also reimburse us for any additional costs of the review. All costs must be paid in full prior to the completion of the review.

(2) The gambling equipment submitted for review must be identical or substantially similar to what will be marketed, distributed, and deployed in Washington. If the equipment is not sufficient for testing and review, we may require additional equipment or information.

(3) If your application is incomplete or we request additional information, you must provide us with the required items within thirty days of notification or we may administratively close your application.

(4) You can begin selling or leasing the gambling equipment when you are licensed and the gambling equipment has been approved by the director or director's designee.

(5) We may include security or surveillance requirements as part of gambling equipment approval.

(6) Gambling equipment must operate as approved by the director or director's designee.

(7) We may keep equipment submitted for review to allow for continued testing and training as long as the equipment remains in play in Washington. We are not liable for any damage to equipment while in our possession.

(8) If you do not agree with the director or director's designee's decision, you may file a petition for declaratory order with the commission according to [RCW 34.05.240](#) and chapter [230-17 WAC](#).

[Statutory Authority: [RCW 9.46.070](#). [WSR 14-09-037](#) (Order 696), § 230-06-050, filed 4/11/14, effective 7/1/14; [WSR 07-21-116](#) (Order 617), § 230-06-050, filed 10/22/07, effective 1/1/08; [WSR 06-17-132](#) (Order 601), § 230-06-050, filed 8/22/06, effective 1/1/08.]