



**WASHINGTON STATE  
GAMBLING COMMISSION PUBLIC  
MEETING - February 2018**

Hampton Inn and Suites  
4301 Martin Way E.  
Olympia, WA

## COMMISSIONERS



Bud Sizemore  
Chair



Julia Patterson  
Vice Chair

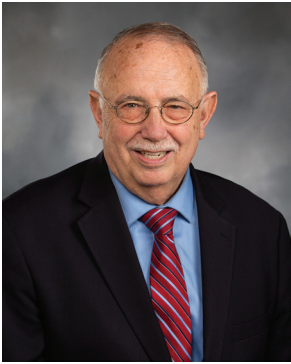


Ed Troyer



Chris Stearns

## EX OFFICIOS



Senator  
Steve Conway



Senator  
Lynda Wilson



Representative  
David Sawyer



Representative  
Brandon Vick

## STAFF



David Trujillo  
Director



Amy Hunter  
Deputy Director





STATE OF WASHINGTON  
**GAMBLING COMMISSION**

*"Protect the Public by Ensuring that Gambling is Legal and Honest"*

**Hampton Inn and Suites**  
**4301 Martin Way E., Olympia, WA 98516**  
**February 8, 2018**

*Please note, agenda times are estimates only. Items may be taken out of sequence at the discretion of the Chair.*

<b>PUBLIC MEETING</b>	
<b>ADMINISTRATIVE PROCEDURE ACT PROCEEDINGS</b>	
<b>9:00 AM</b>	<b>Call to Order</b> <b>Welcome and Introductions</b> <i>Bud Sizemore, Chair</i>
<b>Tab 1</b>	<b>Consent Agenda (Action)</b> <ul style="list-style-type: none"><li>January 11, 2018 Commission Meeting Minutes</li><li>New Licenses and Class III Employees</li></ul> <b>Director's Report</b> <i>David Trujillo, Director</i> <b>2018 Legislative Update</b> <i>Brian Considine, Legal and Legislative Manager</i>
<b>Tab 2</b>	<b>Defaults</b> <i>Haylee Mills, Staff Attorney</i> <ul style="list-style-type: none"><li>Tanisha J. Cayou, CR 2017-01055 Class III Certification Revocation <b>(Action)</b></li><li>Travis L. Van Pelt, CR 2017-01049 Class III Certification Revocation <b>(Action)</b></li></ul>
<b>RULE UP FOR DISCUSSION AND POSSIBLE FILING</b>	
<b>Tab 3</b>	<b>Petition for New Rule – Texas Hold'em Poker (Action)</b> <i>Tina Griffin, Assistant Director</i> <ul style="list-style-type: none"><li>WAC 230-15-135 -Wagering limits for nonhouse-banked card games.</li></ul>
<b>RULES UP FOR DISCUSSION ONLY</b>	
<b>Tab 4</b>	<b>Staff Request for Rule Changes/Fee Simplification (Package #3)</b> <i>Tina Griffin, Assistant Director</i> <ul style="list-style-type: none"><li>WAC 230-05-175 Individuals license fees</li></ul>
<b>Tab 5</b>	<b>Staff Request for Rule Changes/Fee Simplification (Package #4)</b> <i>Tina Griffin, Assistant Director</i> <ul style="list-style-type: none"><li>WAC 230-05-102 – All licensed organizations report activity quarterly beginning with the July 1, 2018 through September 30, 2018 quarter.</li><li>WAC 230-07-155 – Reporting annual activity for raffles, enhanced raffles, amusement games, Class A, B, or C bingo, or combination licenses.</li><li>WAC 230-07-160 – Reporting annual activity for agricultural fairs.</li><li>WAC 230-09-056 – Activity reports for fund-raising events.</li><li>WAC 230-10-040 – Disposable bingo cards – Additional requirements.</li><li>WAC 230-10-180 – Electronic bingo card daubers requirements.</li></ul>

	<ul style="list-style-type: none"> <li>• WAC 230-10-457 – Activity reports for linked bingo prize providers.</li> <li>• WAC 230-13-169 – Annual activity reports for commercial amusement game licensees.</li> <li>• Chapter 230 – 16 WAC – Manufacturer, Distributor, and Gambling Service Supplier Rules.</li> </ul>
	<b>Other Business/General Discussion/Public Comments</b>
	<p><b>Executive Session - Closed to the Public for approximately 1 hour</b>  Discuss Pending Investigations, Tribal Negotiations, and Litigation  <b>The public meeting will reconvene after Executive Session</b></p>
	<b>Meeting Adjourn</b>

*Upon advance request, the Commission will pursue reasonable accommodations to enable persons with disabilities to attend Commission meetings. Questions or comments pertaining to the agenda and requests for special accommodations should be directed to Julie Anderson, Executive Assistant at (360) 486-3453 or TDD (360) 486-3637. Questions or comments pertaining to rule changes should be directed to the Rules Coordinator (360) 486-3447.*





STATE OF WASHINGTON  
GAMBLING COMMISSION

*"Protect the Public by Ensuring that Gambling is Legal and Honest"*

**January Gambling Commission Meeting Minutes**

Hampton Inn & Suites 4301 Martin Way E.  
Olympia, WA 98516

**Public Meeting  
January 11, 2018**

**Commissioners Present:**

Bud Sizemore, Chair  
Julia Patterson, Vice Chair  
Chris Stearns  
Ed Troyer

**Staff Present:**

David Trujillo, Director; Amy Hunter, Deputy Director; Tina Griffin, Assistant Director; John Meader, Assistant Attorney General; Brian Considine, Legal and Legislative Manager; Julie Lies, Tribal Liaison; Heather Songer, Public Information Officer; Julie Anderson, Executive Assistant.

**Executive Session Call to Order**

Chair Sizemore called the January Gambling Commission Meeting to order at 10:35 a.m. and immediately went into Executive Session to discuss Tribal Negotiations, Pending Investigations and Litigation.

**Public Session Call to Order**

Chair Sizemore called the Gambling Commission to order at 12:35 p.m. Chair Sizemore announced that because the Gambling Commission is a law enforcement agency, he intends to open each meeting with a moment of silence for those officers killed in the line of duty. Today's moment of silence was dedicated to Deputy Daniel McCartney. Deputy McCartney was shot in the line of duty January 8<sup>th</sup>, 2018.

Chair Sizemore welcomed everyone to the Hampton Inn & Suites and introductions were made. The meeting immediately started with the approval of part three of Tab 1, Snoqualmie Class III License Certification.

*Commissioner Patterson moved to approve the Snoqualmie Class III Gaming Employees Certifications as presented in the consent agenda.*

*Commissioner Troyer seconded the Motion.*

*The Motion passed. 3:0*

*Commissioner Stearns abstained.*

Commissioner Troyer had to leave the meeting and was not present for the remainder of the action items.

There were 42 people in attendance.

The Chair adjusted the agenda to accommodate Senator Phil Fortunato's schedule. Brian Considine, Legal and Legislative Manager, and Senator Fortunato spoke about ESSB 5671. **Manager Considine** mentioned the Commission voted to oppose the bill last year due to staff concerns. This bill increases the number of raffles open to the public to four events per year and increases the maximum revenue limits for raffles to \$10,000. This bill also: authorizes tiered levels of discounted packages for raffle tickets; modifies the process for conducting random draw raffle events involving a physical item selected by a participant, commonly referred to as duck draws; and redefines the term raffle to eliminate the need for an accompanying ticket for certain duck draw events.

**Commissioner Patterson** asked staff to expand on the concerns expressed in the bill regarding the limits an organization can bring in when the organization is not licensed. **Manager Considine** explained that with increases in the potential revenue that comes in, it has potential for increased crime. Staff felt a neutral position was for \$10,000. **Chair Sizemore** thanked the Senator for coming to the Commission Meeting.

#### **Tab 1**

##### **Consent Agenda:**

##### **November Commission Meeting Minutes/ New Licensees**

*Commissioner Patterson moved to approve the Consent Agenda as presented.*

*Commissioner Stearns seconded the Motion.*

*The Motion passed. 3:0*

Director Trujillo introduced Washington State Gambling Commission's Newest Agent, Jason Downing. Special Agent Downing joined the Licensing Unit on December 28, 2017.

#### **Tab 1**

##### **2018 Legislative Update**

**Legal and Legislative Manager Brian Considine** presented the legislative materials in Tab 1. Manager Considine spoke about the 2018 legislative session and the bills specifically linked to the Gambling Commission. The Gambling Commission does not have any agency request legislation bills for 2018. He discussed Representative Sawyer's House Bill 2332 concerning problem gambling. Commissioner Patterson, Director Trujillo along with himself testified in favor of HB 2332 on January 9<sup>th</sup>. No one opposed. The bill specifically directs the commission to create a self-exclusion program by June 30<sup>th</sup> of 2020. Manager Considine explained that a one-time startup cost would be needed to create a software infrastructure through IT, education, and outreach. The agency estimates that startup costs to the agency are about \$47,000. In addition, he said that Senator Conway agreed to be the prime sponsor on companion bill Senate Bill 6331 and that a Senate hearing will help educate the Senate, Labor, and Commerce Committees on the self-exclusion and problem gambling issues. **Commissioner Patterson** said it would be very beneficial to the success of HB 2332 if the Gambling Commission took a favorable position.

*Commissioner Patterson moved that the Gambling Commission support HB 2332 and companion Senate Bill 6331 and direct staff to notify the appropriate legislators and committees of Commission's support and attempt to secure a one-time appropriation to offset the cost of establishing this program.*

*Commissioner Stearns seconded the Motion.*

*The Motion passed. 3:0*

**Commissioner Patterson** said this is a wonderful opportunity to make a real difference with regard to the issue of problem gambling in this state. She said, right now, if someone was a problem gambler in this state, and had moments of clarity, and would like to do something to prevent themselves from falling back into their addiction, the person must go to each gambling location and ask to be self-barred. One thing we don't have in this state is the ability for those citizens of ours to go to one central place and bar themselves from all establishments. She explained that this bill will not automatically include the tribes. However, it has language that invites the tribes to participate voluntarily and allows time for staff to engage the tribes with our hopes that, eventually, they will participate. If it passes, it means that we here at the Gambling Commission will be writing the rules on how to create that statewide system for self-barring. Commissioner Patterson reiterated that it's an excellent first step but one of the steps that we need to be taking to address the problem. **Commissioner Stearns** also said he agrees that the Gambling Commission should support HB 2332. He said this bill is groundbreaking, and he has incredible respect and profound gratitude for all the work that's gone into it, and his view is that this is the first step. He says problem gambling is an under-addressed issue nationally and in our state. And, he said the ability for people to self-exclude and to have it become less of a problem for them to do that is really vital for the people of Washington. **Chair Sizemore** concurred with both the statements from the Commissioners.

Manager Considine continued his Legislative update on the following bills.

### **HB 2103**

Representative Sawyer's HB 2103 was introduced last year. It establishes a new appropriated account to fund the Gambling Commission's law enforcement duties. This bill is unlikely to be advanced in 2018.

### **SB 5169**

Senator Ericksen's SB 5169 was introduced last year and it authorizes fantasy sports as contests of skill and excludes them from Washington's gambling laws. This bill is unlikely to be advanced in 2018.

### **Initiative I-940**

I-940 is an initiative to the Legislature. It amends the criminal standard for prosecuting a law enforcement officer by removing the malice requirement currently in law and replacing it with an objective and subjective good faith standard that both must be met to receive immunity under the law.

The legislature will have three options during the 2018 legislative session: (1) adopt the initiative as proposed, with no amendments, and it becomes law without a vote of the people; (2)

no action and the initiative will be on the November 2018 general election ballot for a vote of the people; or (3) enact a different bill on the same subject and the bill and initiative will be on the November 2018 general election ballot for a vote of the people.

### **Professional and Amateur Sports Protection Act (PASPA)**

On December 4, 2017, the U.S. Supreme Court heard oral arguments in *Christie v. NCAA, et al.* and *New Jersey Thoroughbred Horsemen's Association v. NCAA, et al.* The court will determine if PASPA is constitutional and/or New Jersey's repeal of its laws prohibiting sports betting was lawful. The U.S. Supreme Court will decide no later than July 2018 if PASPA violates the 10<sup>th</sup> Amendment, which protects state's rights (federalism).

Commission staff will continue to identify the possible impacts of a court decision invalidating PASPA.

### **Director's Report**

In addition to a written report this month, **Director Trujillo** announced that the Gambling Commission has launched their new website. He recognized the Public Information Officer, Heather Songer for her work on the website. He also mentioned that Ms. Songer has been working with Pierce County Sheriff's office on an agency assist to help in the Joint Information Center in preparation with events surrounding the line of duty death and planning the funeral of Deputy Sheriff Daniel McCartney.

Director Trujillo acknowledged Mr. Eric Durban from the Muckleshoot Casino who was in the audience. He said Mr. Durban previously announced his retirement as Chief Financial Officer from Muckleshoot Casino. Director Trujillo said he has known Mr. Durban for many years and shared two short stories with the Commission. He will present Mr. Durban with an agency coin at his next opportunity.

Director Trujillo reported on the Spokane Tribal Casino's opening on January 8, 2018. He said that despite the weather and cold temperatures, many people were waiting for the doors to open. Director Trujillo also shared that the Gambling Commission is planning a strategic planning work session at the April Commissioner meeting. He will share a short introduction of the process at the February Commission meeting. At the March Commission meeting he will do a presentation that builds on February's presentation that will further define the April strategic planning work session.

Director Trujillo reported that the Governor's Office is still considering candidates for the vacant position on the Gambling Commission.

Finally, Director Trujillo gave a brief update on pull-tabs. He reminded everyone that in his opinion discussing the topic was not discussing an expansion of gambling. He explained that it made sense to see how we can look at technology or modernization of pull-tabs dispensers to help to eliminate cheating and theft. He said that no one has asked to do away with paper. Paper is integral to the play of pull-tabs in Washington. He also said that if someone requests to do away with "paper," that may make the discussion a topic for the Legislature. He said before committing staff to a lot of research on how modernizing pull-tab dispensers, he asked the Commissioners how they felt about this topic. **Chair Sizemore** explained that staff didn't have time that would be necessary, in the short- and mid-range time period, to really get into the depth

and breadth that this topic would require and that this may be discussed later in the year as a strategic topic.

## **Tab 2**

### **Defaults**

Staff Attorney, Haylee Mills presented the materials for Tab 2.

*Commissioner Patterson moved to revoke the Card Room Punch Pull-Tab License Revocation for MEWE, Inc. dba Viking Card Room.*

*Commissioner Stearns seconded the Motion.*

*The Motion passed. 3:0*

*Commissioner Stearns moved to revoke the Class III Certification for Sasheen L. White.*

*Commissioner Patterson seconded the Motion.*

*The Motion passed. 3:0*

## **Tab 3**

### **Staff Request for Rule Changes/Fee Simplification (Package #4)**

**Assistant Director Tina Griffin** presented the materials for Tab 3. This is the fourth Rule Changes/Fee Simplification package staff will bring forward to make changes to the Commission's licensing fee structure. This package clarifies that annual activity report filers will report their gambling activity for their license year through June 30, 2018 on July 30, 2018. All licensees will begin reporting their activity quarterly beginning with the July 1-September 30 quarter. The Rule Changes/Fee Simplification Package #4 will likely be up for final action at the March Commission Meeting.

**Public Comment:** There was no public comment.

*Commissioner Patterson moved to file the Rule Changes/Fee Simplification Package #4 as presented by staff.*

*Commissioner Stearns seconded the Motion.*

*The Motion passed. 3:0*

## **Tab 4**

### **Staff Request for Rule Changes/Fee Simplification (Package #1)**

**Assistant Director Tina Griffin** presented the materials for Tab 4. The Rule Changes/Fee Simplification Package #1 was the first Rule Changes/Fee Simplification package to be heard by the Commission in September 2017. At the January meeting there was no further discussion on the package. Staff recommends final action with an effective date of May 1, 2018, so that the licensees who are renewing June 30, 2018 will pay their fees under the new system.

**Public Comment:** There was no public comment.

*Commissioner Patterson moved to approve the Fee Simplification Package #1 as presented by staff with an effective date of May 1, 2018.*

*Commissioner Stearns seconded the Motion.*

*The Motion passed. 3:0*



## **Tab 5**

### **Staff Request for Rule Changes/Fee Simplification (Package #2)**

**Assistant Director Griffin** presented the materials for Tab 5. The Rule Changes/Fee Simplification Package #2 was first heard by the Commission in October 2017. Staff is asking for action to be taken on a couple rules in regards to this package. Package #2 deals with a number of rules, mainly removing the word “class” and then instead of using the word “class” or “license class,” we now focus on the gross gambling receipts level of the licensee. This rules package also establishes new due dates for quarterly activity reports. It requires licensees to submit quarterly activity reports until they move into the new fee structure and then for the last quarter that they operated under the old fee structure, licensees will need to submit a quarterly activity report. Also, service suppliers will need to submit quarterly activity reports beginning with the third quarter of 2018. Lastly, it adds a process that we will use if a licensee doesn't submit to their quarterly license report or doesn't pay their quarterly licensing fees. Staff is requesting final action with an effective date of July 1<sup>st</sup>, 2018.

*Commissioner Stearns moved to approve the Rule Changes/Fee Simplification Package #2, as presented by staff with an effective date of July 1<sup>st</sup>, 2018.*

*Commissioner Patterson seconded the Motion.*

*The Motion passed. 3:0*

**Public Comment: Aleena Schneider** with Harlequin Productions gave public testimony regarding her concerns about the license fee increase of 150% for her company. She said that the real impact to her organization is that they are currently paying about \$680 a year, and the change would put them closer to \$1,700 a year; a 150% increase. And she said for a small nonprofit, \$1,000 is a huge expense. She added that she had sent in her comments, and was really pleasantly surprised when Mr. Trujillo called her to set up an appointment to come and talk to her. She stated that she understands things haven't changed, and the Commission is continuing forward so she wanted to come testify in person. She stated that she has an accounting background and thought the main problem was the decision to cap the fee at \$2,000. She added that the change serves to punish the small nonprofits and she can't imagine that was intentional.

**Chair Sizemore** discussed the process and the key issues being addressed and that the 1973 structure was no longer reflective of today and the new structure more accurately reflected level of activity and effort. **Director Trujillo** offered to personally meet with her board. **Chair Sizemore** thanked Ms. Schneider for her testimony and asked her to come back and speak to the Commission after two quarters under the new structure and tell them how it is going.

## **Tab 6**

### **Staff Request for New Rule**

**Assistant Director Griffin** presented the materials for Tab 6. Staff is requesting this new rule to require a manufacture or its designee to submit electronic or mechanical gambling equipment for evaluation during rule-making. This rule will allow staff to request and evaluate equipment during the rule-making process. Commissioners first heard this request in September 2017. Staff recommends the Commissioners take final action effective 31 days from filing with the Code Reviser's Office.

*Commissioner Patterson moved to approve WAC 230-17-192, as presented by staff effective 31 days from filing with the Code Reviser's Office.*

*Commissioner Stearns seconded the Motion.*

*The Motion passed. 3:0*

**Public Comment:** There was no public comment.

#### **Tab 7**

#### **Staff Request for Rule Changes/Fee Simplification (Package #3)**

**Assistant Director Griffin** presented the materials for Tab 7. This Rule Changes/Fee Simplification package is the third rules packages. This package sets out the individual license fees under the new fee structure. Staff anticipates asking for an effective date of May 1, 2018, so that licensees who are renewing June 30, 2018 will pay their fees under the new system.

**Public Comment:** There was no public comment.

#### **Other Business/General Discussion/Public Comment**

**Commissioner Stearns** commented on the website and said it looked outstanding.

**Commissioner Patterson** commented that she will be at the capitol to testify on Representative Sawyer's bill HB 2332.

**Manager Brian Considine** added that Commissioner Patterson and Chair Sizemore will have confirmation hearings on January 17, 2018.

**Chair Sizemore** announced that our next meeting will be at the Hampton Inn and Suites on February 8, 2018.

Commission meeting adjourned at 2:57 p.m.



COMMISSION APPROVAL LIST  
(Class III Gaming Employees)

February 2018

Index

	<u>PAGE</u>
SNOQUALMIE CLASS III GAMING EMPLOYEE .....	1

PAGES: 1

Based upon the licensing investigations, staff recommends approving all new Class III employees listed on pages 1.

DATE: 01/17/2018

Page 1 of 1

PERSON'S NAME

LICENSE ISSUE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**SNOQUALMIE TRIBE**

DUJMOVIC-CORNETT, VAUGHN  
69-43800

FERREIRA, JORDAN K  
69-43918

FORD, RENAE V  
69-43791

POUDEL, PURUSHOTTAM  
69-43799

POUDEL, SAROJ  
69-43916

ROSS, SHAWN T  
69-43917

SANDERS, JESSE G  
69-43798

TRAN, STEVE N  
69-35698

WINGFIELD, DAVID T  
69-43796

YU, CHIH HENG  
69-43795

*TR*



# Washington State Gambling Commission Pre-Licensing Report Manufacturer

## Part I Licensing/Organization Information

<b>Type of Approval</b> Manufacturer License Class "C" Distributor License Class "C"	<b>Premises/Trade Name/Address</b> Ainsworth Game Technology, Inc. 5800 Rafael Rivera Way Las Vegas, NV 89118
<b>Date of Application</b> December 6, 2017	

### APPLICANT INFORMATION

<b>Name</b> Ainsworth Game Technology, Inc.	<b>License Application #</b> 20-00254 21-00308	<b>Business Phone #</b> (702) 954-3000
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**Address**  
5800 Rafael Rivera Way  
Las Vegas, NV 89118

### ACTIVE LICENSES ISSUED BY GAMBLING COMMISSION

Description/Class	Exp. Date	License Number(s)
Manufacturer License Class "C"	06/30/2018	20-00254
Distributor License Class "C"	06/30/2018	21-00308

### COMMISSION STAFF

<b>Licensing Specialist</b> Cathee Gottfryd	<b>Special Agents</b> Tyson Wilson Julie Sullivan
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## Background/Structure

### General Information:

Ainsworth Game Technology, Inc. is a manufacturer and supplier of game technology and game software. They intend to offer Class III Tribal Lottery Systems. They also applied as a distributor for the purposes of distributing machines with software manufactured by Ainsworth Game Technology, Limited, their parent company located in Australia.



We licensed Ainsworth Game Technology, Inc. on December 8, 2016. Leonard Ainsworth, who owned 53% of Ainsworth Game Technology, Inc., sold his shares to Novomatic AG, which triggered a new licensing event. According to WAC 230-06-108, when a person or business becomes the owner of more than 50% of the stock in a business and they were not previously a substantial interest holder, they must apply for a new license.

**Ownership Structure:**

**Ainsworth Game Technology, Inc.:**

Title	Name	% Ownership
Owner	AGT, Pty. Limited	100%
	<b>Total</b>	<b>100%</b>

**AGT, Pty. Limited:**

Title	Name	% Ownership
Owner	Ainsworth Game Technology, Limited	100%
	<b>Total</b>	<b>100%</b>

**\*Ainsworth Game Technology, Limited:**

Title	Name	% Ownership *
Shareholder	Novomatic AG	53.58%
Shareholder	Votrait No 1019 Pty Ltd	8.96%
Various Shareholders	Other non-substantial interest holders	37.46%
	<b>Total</b>	<b>100%</b>

**Novomatic AG:**

Title	Name	% Ownership *
Owner	Novo Invest GMBH	89.95%
Owner	Gryphon Invest AG	10.05%
	<b>Total</b>	<b>100%</b>

**Novo Invest GMBH:**

Title	Name	% Ownership *
Owner	Johann Graf	100%
	<b>Total</b>	<b>100%</b>

**Gryphon Invest AG:**

Title	Name	% Ownership *
Owner	Johann Graf	100%
	<b>Total</b>	<b>100%</b>

\*Ainsworth Game Technology, Limited is publically traded on the Australian Stock Exchange (AGI). As of January 18, 2018, the stock was trading at \$2.17 (Australian Dollar) a share.

**Affiliated Company:**

The applicant's parent company, Ainsworth Game Technology, Limited, also applied for a manufacturer license.

**Other Jurisdictions Licensed:**

Ainsworth Game Technology, Inc. is currently licensed in at least nine other states, to include Nevada, Montana, Idaho and Oregon.

**Part II**  
**Licensing Investigations Summary**

Special Agents from the Commission's Licensing Unit conducted a criminal history and financial investigation focusing on funding sources and beneficiaries for suitability in accordance with RCW 9.46 and WAC 230. Staff went on-site to Las Vegas, Nevada, to conduct their investigation, which included verifying the ownership structure, reviewing financial and business records, conducting interviews and observing the manufacturing process. The investigation found:

- No unreported people or businesses involved (i.e. substantial interest holders);
- No undisclosed ownership or undisclosed involvement in other activities/businesses;
- No disqualifying administrative history;
- All funding sources were disclosed; and
- All substantial interest holders qualify to hold a license.

**Source of Funds:**

Novomatic AG purchased 172,100,823 shares of Ainsworth Game Technologies stock for \$2.75/share AU. The total purchase price is \$473,277,263.25 AU. This coupled with shares already purchased on the public market by Novomatic AG would give them a total of 172,838,550 shares, a 53.58% ownership in Ainsworth.


Although Novomatic had the cash on hand to fund the purchase they funded the purchase through a series of bank loans and credit facilities.

The total available from three separate credit facilities was 440 million Euros.

Per a currency convertor, when the sale was consummated the 440 million Euros available was the equivalent of \$654,178,698 AU.

**Part III**  
**Staff Recommendations**

Based upon the criminal history and financial background investigations, staff recommends licensing Ainsworth Game Technology, Inc., as a class "C" manufacturer and class "C" distributor.

Prepared By	Signature	Date
Tina Griffin, Assistant Director Licensing, Regulation, & Enforcement Division		1-19-18





# Washington State Gambling Commission Pre-Licensing Report Manufacturer

## Part I Licensing/Organization Information

<b>Type of Approval</b> Manufacturer License Class "C"	<b>Premises/Trade Name/Address</b> Ainsworth Game Technology, Limited 10 Hoker Street Newington, NSW 2127 Australia
<b>Date of Application</b> December 6, 2017	

### APPLICANT INFORMATION

<b>Name</b> Ainsworth Game Technology, Limited	<b>License Application #</b> 20-00255	<b>Business Phone #</b> 61 2 9739 8251
<b>Address</b> 10 Hoker Street Newington, NSW 2127 Australia		

### ACTIVE LICENSES ISSUED BY GAMBLING COMMISSION

<b>Description/Class</b> Manufacturer License Class "C"	<b>Exp. Date</b> 06/30/2018	<b>License Number(s)</b> 20-00255
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### COMMISSION STAFF

<b>Licensing Specialist</b> Cathee Gottfryd	<b>Special Agents</b> Tyson Wilson Julie Sullivan
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## Background/Structure

### General Information:

Ainsworth Game Technology, Limited, is a manufacturer of software. They will be supplying software to Ainsworth Game Technology, Inc. that will be included in the Class III Tribal Lottery Systems manufactured by Ainsworth Game Technology, Inc.

We licensed Ainsworth Game Technology, Limited on December 8, 2016. Leonard Ainsworth, who owned 53% of Ainsworth Game Technology, sold his shares to Novomatic AG, which triggered a new

licensing event. According to WAC 230-06-108, when a person or business becomes the owner of more than 50% of the stock in a business and they were not previously a substantial interest holder, they must apply for a new license.

**Ownership Structure:**

**\*Ainsworth Game Technology, Limited:**

Title	Name	% Ownership *
Shareholder	Novomatic AG	53.58%
Shareholder	Votrait No 1019 Pty Ltd	8.96%
Various Shareholders	Other non-substantial interest holders	37.46%
	<b>Total</b>	<b>100%</b>

**Novomatic AG:**

Title	Name	% Ownership *
Owner	Novo Invest GMBH	89.95%
Owner	Gryphon Invest AG	10.05%
	<b>Total</b>	<b>100%</b>

**Novo Invest GMBH:**

Title	Name	% Ownership *
Owner	Johann Graf	100%
	<b>Total</b>	<b>100%</b>

**Gryphon Invest AG:**

Title	Name	% Ownership *
Owner	Johann Graf	100%
	<b>Total</b>	<b>100%</b>

\*Ainsworth Game Technology, Limited is publically traded on the Australian Stock Exchange (AGI). As of January 18, 2018, the stock was trading at \$2.17 (Australian Dollar) a share.

**Affiliated Company:**

The applicant's wholly-owned subsidiary, Ainsworth Game Technology, Inc., also applied for new manufacturer and distributor licenses as a result of this stock sale.

**Other Jurisdictions Licensed:**

Ainsworth Game Technology, Limited, is currently licensed on multiple continents including North and South America, Asia, Australia and Europe. They hold over 50 licenses and permits.

**Part II  
Licensing Investigations Summary**

Special Agents from the Commission's Licensing Unit conducted a criminal history and financial investigation focusing on funding sources and beneficiaries for suitability in accordance with RCW 9.46 and WAC 230. Staff went on-site to Vienna, Austria, and Sydney, Australia to conduct their investigation, which included verifying the ownership structure, reviewing financial and business records, conducting interviews and observing the manufacturing process. The investigation found:

- No unreported people or businesses involved (i.e. substantial interest holders);
- No undisclosed ownership or undisclosed involvement in other activities/businesses;
- No disqualifying administrative history;



- All funding sources were disclosed; and
- All substantial interest holders qualify to hold a license.

**Source of Funds:**

Novomatic AG purchased 172,100,823 shares of Ainsworth Game Technologies stock for \$2.75/share AU. The total purchase price is \$473,277,263.25 AU. This coupled with shares already purchased on the public market by Novomatic AG gave them a total of 172,838,550 shares, a 53.58% ownership in Ainsworth.


Although Novomatic had the cash on hand to fund the purchase, they funded the purchase through a series of bank loans and credit facilities.

The total available from three separate credit facilities was 440 million Euros.

Per a currency convertor, when the sale was consummated the 440 million Euros available was the equivalent of \$654,178,698 AU.

**Part III  
Staff Recommendations**

Based upon the criminal history and financial background investigations, staff recommends licensing Ainsworth Game Technology, Limited, as a class "C" manufacturer.

Prepared By	Signature	Date
Tina Griffin, Assistant Director Licensing, Regulation, & Enforcement Division		1-19-18





# Washington State Gambling Commission Pre-Licensing Report Manufacturer

## Part I Licensing/Organization Information

<b>Type of Approval</b> Manufacturer License Class "F"	<b>Premises/Trade Name/Address</b> Aristocrat Technologies Australia Pty Limited 85 Epping Road North Ryde, NSW 2113 Australia
<b>Date of Application</b> August 9, 2017	

### APPLICANT INFORMATION

<b>Name</b> Aristocrat Technologies Australia Pty Limited (ATA)	<b>License Application #</b> 20-00251	<b>Business Phone #</b> (612) 901-36000
<b>Address</b> 85 Epping Road North Ryde, NSW, Australia		

### ACTIVE LICENSES ISSUED BY GAMBLING COMMISSION

<b>Description/Class</b> Manufacturer Class "F"	<b>Exp. Date</b> 03/31/2018	<b>License Number(s)</b> 20-00251
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### COMMISSION STAFF

<b>License Specialist</b> Bill Russell	<b>Special Agents</b> Julie Sullivan Donna Khanhasa
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#### Background/Structure

#### General Information:

Aristocrat Technologies Australia Pty Limited is a manufacturer and supplier of game technology and game combination software that will be included in their machines. They will be supplying Intellectual Property to their sister company, Aristocrat Technologies, Inc. (a current manufacturer licensee), that will be included in the Class III Tribal Lottery System machines manufactured by Aristocrat Technologies, Inc.

**Ownership/corporate structure of Aristocrat Technologies Australia Pty Ltd**

Title	Name	% Ownership	# of Shares
Director	Trevor Croker	0%	0
Director	Anotnia Korsanos	0%	0
Shareholder	Aristocrat (Holdings) Pty Ltd	100%	100
	<b>Total</b>	100%	100

**Ownership/corporate structure of Aristocrat (Holdings) Pty Ltd.:**

Title	Name	% Ownership	# of Shares
Director	Trevor Croker	0%	0
Director	Antonia Korsanos	0%	0
Shareholder	Aristocrat Leisure Limited	100%	100
	<b>Total</b>	100%	

**Ownership/corporate structure of Aristocrat Leisure Limited\*:**

Title	Name	% Ownership	# of Shares
CEO & Managing Director	Trevor Croker	**	
CFO	Antonia Korsanos	**	
Non-Executive Chairman	Ian Blackburne	**	
Non-Executive Director	David Banks	**	
Non-Executive Director	Kathleen Conlon	**	
Non-Executive Director	Rosalind Dubs	**	
Non-Executive Director	Stephen Morro	**	
Non-Executive Director	Patrick Ramsey	**	
Non-Executive Director	Sylvia Summers Couder	**	
Non-Executive Director	Arlene Tansey	**	
Stockholder	Commonwealth Bank of Australia	5.680%***	36,247,522***
Stockholder	BlackRock Group (Institutional Investor)	7.020%***	44,884,870***
Stockholder	under 5%	87.3%	557,411,758
	<b>Total</b>	100%	638,544,150

\*Publicly traded on the Australian Stock Exchange under ALL. The price per share of stock was \$23.89 AUD as of November 2, 2017.

\*\* Less than 5%

\*\*\* As of August 31, 2017

**Affiliated Company:**

The applicant's sister company, Aristocrat Technologies, Inc. has been licensed as a manufacturer since 2002 and has no adverse administrative history. They have recently applied for a Distributor's license.

**Other Jurisdictions:**

Aristocrat Technologies Australia Pty Limited is licensed worldwide in over 280 different jurisdictions including France, Singapore and the United States.

**Part II**  
**Licensing Investigation Summary**

Special Agents from the Commission's Licensing Unit conducted a criminal history and financial investigation focusing on funding sources and beneficiaries for suitability in accordance with RCW 9.46 and WAC 230. Staff went on-site to North Ryde, Australia, to conduct their investigation, which included verifying the ownership structure, reviewing financial and business records, conducting interviews and observing the manufacturing and development process. The investigation found:


- No unreported people or businesses involved (i.e. substantial interest holders);
- No undisclosed ownership or undisclosed involvement in other activities/businesses;
- No disqualifying administrative history;
- All funding sources were disclosed; and
- All substantial interest holders qualify to hold a license.

**Source of Funds:**

The company's source of funds was cash on hand from operations to expand into Washington.

**Part III**  
**Staff Recommendations**

Based upon the criminal history and financial background investigations, staff recommends licensing Aristocrat Technologies Australia Pty Ltd as a Class "F" Manufacturer.

Prepared By	Signature	Date
Tina Griffin, Assistant Director Licensing, Regulation, & Enforcement Division		1-16-18





## HOUSE-BANKED PUBLIC CARD ROOM REPORT

Current House- Banked Locations Operating						47
Licensee	City	Commission Approval Date	License Expiration Date	Tables	Org #	License #
ACES CASINO ENTERTAINMENT	SPOKANE	Mar 13, 2014	Dec 31, 2018	7	00-23112	67-00325
ALL STAR CASINO	SILVERDALE	Jan 14, 1999	Jun 30, 2018	15	00-18357	67-00058
BLACK PEARL RESTAURANT & CARD ROOM	SPOKANE VALLEY	Jan 10, 2013	Sep 30, 2018	15	00-22440	67-00321
BUZZ INN STEAKHOUSE/EAST WENATCHEE	EAST WENATCHEE	Oct 10, 2002	Dec 31, 2018	10	00-11170	67-00183
CARIBBEAN CARDROOM	KIRKLAND	Aug 13, 2009	Mar 31, 2018	9	00-21882	67-00285
CASINO CARIBBEAN	YAKIMA	Mar 14, 2002	Dec 31, 2018	15	00-17603	67-00093
CASINO CARIBBEAN	KIRKLAND	Nov 15, 2005	Sep 30, 2018	15	00-20427	67-00238
CHIPS CASINO/LAKEWOOD	LAKEWOOD	Apr 8, 1999	Dec 31, 2018	15	00-17414	67-00020
CLEARWATER SALOON & CASINO	EAST WENATCHEE	Apr 9, 2015	Dec 31, 2018	11	00-23386	67-00328
CLUB HOLLYWOOD CASINO	SHORELINE	Sep 9, 2010	Jun 30, 2018	15	00-22132	67-00303
COYOTE BOB'S CASINO	KENNEWICK	Jul 10, 2009	Mar 31, 2018	13	00-21848	67-00282
CRAZY MOOSE CASINO II/MOUNTLAKE TERRACE	MOUNTLAKE TERRACE	Jul 10, 2009	Mar 31, 2018	15	00-21849	67-00283
CRAZY MOOSE CASINO/PASCO	PASCO	Jul 10, 2009	Mar 31, 2018	15	00-21847	67-00281
EMERALD DOWNS	AUBURN	May 11, 2017	Mar 31, 2018	15	00-23814	67-00335
FORTUNE CASINO	TUKWILA	Oct 8, 2015	Jun 30, 2018	12	00-23465	67-00329
FREDDIE'S CLUB	RENTON	Jan 8, 2015	Sep 30, 2018	15	00-23339	67-00327
GOLDIE'S SHORELINE CASINO	SHORELINE	May 13, 1999	Dec 31, 2018	15	00-17610	67-00016
GREAT AMERICAN CASINO/DES MOINES	DES MOINES	Jul 13, 2017	Mar 31, 2018	15	00-23795	67-00334
GREAT AMERICAN CASINO/EVERETT	EVERETT	Nov 12, 1998	Dec 31, 2018	15	00-19513	67-00194
GREAT AMERICAN CASINO/LAKEWOOD	LAKEWOOD	Aug 14, 2003	Jun 30, 2018	15	00-19258	67-00184
GREAT AMERICAN CASINO/TUKWILA	TUKWILA	Jan 15, 1998	Sep 30, 2018	15	00-12554	67-00012
HAWKS PRAIRIE CASINO	LACEY	Jul 12, 2001	Jun 30, 2018	15	00-17579	67-00091

*Handwritten mark*

**Current House- Banked Locations Operating**

**47**

Licensee	City	Commission Approval Date	License Expiration Date	Tables	Org #	License #
IRON HORSE CASINO	AUBURN	Jan 9, 2003	Dec 31, 2018	15	00-19477	67-00192
JOKER'S CASINO SPORTS BAR & FIESTA CD RM	RICHLAND	Nov 12, 1998	Dec 31, 2018	12	00-15224	67-00006
LANCER LANES/REST AND CASINO	CLARKSTON	Nov 13, 2008	Sep 30, 2018	8	00-21681	67-00276
LAST FRONTIER	LA CENTER	Feb 11, 1999	Sep 30, 2018	15	00-11339	67-00055
LILAC LANES & CASINO	SPOKANE	Jul 12, 2007	Jun 30, 2018	12	00-21305	67-00267
LUCKY 21 CASINO	WOODLAND	Oct 8, 2013	Jun 30, 2018	15	00-22918	67-00322
MACAU CASINO	LAKEWOOD	Jul 12, 2007	Mar 31, 2018	15	00-20428	67-00239
MACAU CASINO	TUKWILA	Jan 12, 2012	Sep 30, 2018	15	00-22573	67-00319
NOB HILL CASINO	YAKIMA	Sep 12, 2001	Dec 31, 2018	7	00-13069	67-00173
PALACE CASINO LAKEWOOD	LAKEWOOD	Jan 14, 1999	Dec 31, 2018	15	00-16542	67-00028
PAPAS CASINO RESTAURANT & LOUNGE	MOSES LAKE	Aug 13, 1998	Jun 30, 2018	12	00-02788	67-00004
RC'S AT VALLEY LANES	SUNNYSIDE	Nov 16, 2017	Mar 31, 2018	5	00-16220	67-00336
RIVERSIDE CASINO	TUKWILA	Aug 14, 2003	Jun 30, 2018	15	00-19369	67-00187
ROMAN CASINO	SEATTLE	Feb 10, 2000	Mar 31, 2018	15	00-17613	67-00057
ROXY'S BAR & GRILL	SEATTLE	Nov 18, 2004	Jun 30, 2018	12	00-20113	67-00231
ROYAL CASINO	EVERETT	Sep 9, 2010	Jun 30, 2018	15	00-22130	67-00301
SILVER DOLLAR CASINO/MILL CREEK	BOTHELL	Sep 9, 2010	Jun 30, 2018	15	00-22131	67-00302
SILVER DOLLAR CASINO/RENTON	RENTON	Sep 9, 2010	Jun 30, 2018	15	00-22134	67-00305
SILVER DOLLAR CASINO/SEATAC	SEATAC	Sep 9, 2010	Jun 30, 2018	13	00-22128	67-00299
SLO PITCH PUB & EATERY	BELLINGHAM	Aug 12, 1999	Jun 30, 2018	9	00-16759	67-00038
THE GETAWAY CASINO	WALLA WALLA	Mar 11, 2016	Jun 30, 2018	8	00-23485	67-00332
THE PALACE	LA CENTER	Apr 9, 1998	Jun 30, 2018	15	00-16903	67-00010
WILD GOOSE CASINO	ELLENSBURG	Apr 8, 2004	Dec 31, 2018	7	00-20009	67-00212
WIZARDS CASINO	BURIEN	Feb 11, 2010	Dec 31, 2018	15	00-21998	67-00287
ZEPPOZ	PULLMAN	Nov 13, 2008	Mar 31, 2018	6	00-18777	67-00209

<b>Licensed, But Not Operating</b>							<b>1</b>
<b>Licensee</b>	<b>City</b>	<b>Commission Approval Date</b>	<b>License Expiration Date</b>	<b>Tables</b>	<b>Org #</b>	<b>License #</b>	
UBET CASINO	LONGVIEW	Oct 8, 1998	Jun 30, 2018	11	00-17449	67-00039	

<b>Applications Pending</b>							<b>1</b>
<b>Licensee</b>	<b>City</b>	<b>Commission Approval Date</b>	<b>License Expiration Date</b>	<b>Tables</b>	<b>Org #</b>	<b>License #</b>	
CARDS R' US INC	LONGVIEW			11	00-23997	67-00337	

12



COMMISSION APPROVAL LIST  
(New Licenses & Class III Gaming Employees)  
February 2018

Index

	<u>PAGE</u>
NONPROFIT ORGANIZATIONS & COMMERCIAL BUSINESSES.....	1-3
MANUFACTURER REPRESENTATIVE .....	4-5
NON-PROFIT GAMBLING MANAGER.....	6
SERVICES SUPPLIER REPRESENTATIVE .....	6
PUBLIC CARD ROOM EMPLOYEE .....	6-8
CLASS III GAMING EMPLOYEE .....	8-17

PAGES: 17

Based upon the licensing investigations, staff recommends approving all new Licenses and Class III employees listed on pages 1 to 17.



ORGANIZATION NAME

FILE NUMBER

PREMISES LOCATION

**NEW APPLICATIONS****BINGO**

BOYS & GIRLS CLUB/WHATCOM CO 00-02977 01-01342	A	1715 KENTUCKY ST BELLINGHAM WA 98229
BPOE 01204 00-00216 01-02746	A	1009 7TH ST ANACORTES WA 98221
LONGVIEW COUNTRY CLUB 00-06669 01-02739	A	41 COUNTRY CLUB DR LONGVIEW WA 98632
WILBUR SENIOR CENTER 00-21639 01-02742	A	101 NE MAIN ST WILBUR WA 99185

**RAFFLE**

ACADEMY FOR PRECISION LEARNING 00-23855 02-20697	B	99 UNION STREET SEATTLE WA 98101
API CHAYA 00-24071 02-20814	C	7421 127TH ST SEATTLE WA 98178
BAINBRIDGE SCHOOLS FOUNDATION 00-22889 02-09255	B	8153 HANSEN RD NE BAINBRIDGE ISLAND WA 98110
BOYS & GIRLS CLUB/WHATCOM CO 00-02977 02-01369	A	1715 KENTUCKY ST BELLINGHAM WA 98229
CAMP STIX DIABETES PROGRAM 00-24077 02-20816	B	4115 S CUBA ST SPOKANE WA 99223
GHHS SPORT BOOSTERS 00-24062 02-20812	C	12319 OSPREY DR NW GIG HARBOR WA 98332
ISCOTDEC 00-24076 02-20815	B	12554 SPRINGBROOK LN SW LAKEWOOD WA 98499
LONGVIEW COUNTRY CLUB 00-06669 02-20802	B	41 COUNTRY CLUB DR LONGVIEW WA 98632
MEDICAL TEAMS INTERNATIONAL 00-22437 02-09288	D	9680 153RD AVE NE REDMOND WA 98052
POPES KIDS PLACE 00-24081 02-20818	A	36407 108 AVE CT E EATONVILLE WA 98328
SELKIRK TRAIL BLAZERS 00-19501 02-08403	B	234 S 8TH IONE WA 98139



ORGANIZATION NAME

FILE NUMBER

PREMISES LOCATION

**NEW APPLICATIONS****RAFFLE**

VASHON ISLAND PET PROTECTORS 00-24061 02-20811	B	18528 WESTSIDE HWY VASHON WA 98070
VFW 03386 00-07134 02-01562	B	1307 S LOFFLER AIRWAY HEIGHTS WA 99001-000
WA YOUTH EDUCATION IN SHOOTING SPORTS 00-23246 02-09445	D	164 SUMMIT BUTTE RD WOODINVILLE WA 98674

**PUNCHBOARD/PULL-TAB COMMERCIAL STIMULANT**

CURRY HOUSE CAFE & BAR 00-24074 05-21522	A	2034 MAIN ST FERNDALE WA 98248
MCCLAINS PIZZERIA 00-24014 05-21506	A	10208 N DIVISION ST STE 104 SPOKANE WA 99218
SILVERSTAR 00-24030 05-21510	F	1032 VANDERCOOK WY LONGVIEW WA 98632
TWISTED KILT IRISH PUB AND EATERY 00-24005 05-21504	A	109 S MERIDIAN PUYALLUP WA 98371

**MANUFACTURER**

AINSWORTH GAME TECHNOLOGY INC 20-00254 20-00254	C	5800 RAFAEL RIVERA WAY LAS VEGAS NV 89118
AINSWORTH GAME TECHNOLOGY LIMITED 20-00255 20-00255	C	10 HOLKER ST NEWINGTON NA 2127
ARISTOCRAT TECHNOLOGIES AUSTRALIA PTY LIMITED 20-00251 20-00251	F	BUILDING A PINNACLE OFFICE PARK NORTH RYDE NA 2113

**DISTRIBUTOR**

AINSWORTH GAME TECHNOLOGY INC 21-00308 21-00308	C	5800 RAFAEL RIVERA WAY LAS VEGAS NV 89118
ARISTOCRAT TECHNOLOGIES INC 21-00306 21-00306	F	7230 AMIGO ST LAS VEGAS NV 89119

ORGANIZATION NAME

FILE NUMBER

PREMISES LOCATION

**NEW APPLICATIONS**

**PUNCHBOARD/PULLTAB SERVICE BUSINESS PERMIT**

INLAND EMPIRE GAMBLING  
00-24058 27-00036

9005 E MAIN AVE  
SPOKANE VALLEY WA 99212

**COMMERCIAL AMUSEMENT GAMES**

ARENA SPORTS MILL CREEK  
00-23965 53-21497

B

13500 BOTHELL EVERETT  
MILL CREEK WA 98012

PERSON'S NAME  
 LICENSE ISSUE NUMBER

EMPLOYER'S NAME  
 PREMISES LOCATION

**NEW APPLICATIONS**

**MANUFACTURER REPRESENTATIVE**

AGONCILLO, MICHAEL JR  
 23-02550

GAMING ARTS  
 LAS VEGAS NV 89119-3504

BARTKO, MICHAEL V  
 23-02557

BALLY TECHNOLOGIES  
 LAS VEGAS NV 89119

BROWN, JAMES L  
 23-02568

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89119

CLINKSCALES, RYAN V  
 23-02547

EVERI PAYMENTS INC  
 LAS VEGAS NV 89113-2175

CONNOLLY, ANDREW J  
 23-02549

VIDEO KING  
 OMAHA NE 68154

CORDES, LISA M  
 23-01158

BALLY TECHNOLOGIES  
 LAS VEGAS NV 89119

CUNDIFF, JON F  
 23-02544

IGT  
 LAS VEGAS NV 89113

DAHLBERG, MONTY K  
 23-02545

VIDEO KING  
 OMAHA NE 68154

DENCKER, KENNET S  
 23-02563

BONANZA PRESS  
 WOODINVILLE WA 98072-8432

FLANNERY, PATRICK M  
 23-02555

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89119

JACKSON, CATHERINE I  
 23-02542

AGS LLC  
 LAS VEGAS NV 89118

JARAMILLO PICHON, DAVID A  
 23-00777

AINSWORTH GAME TECHNOLOGY INC  
 LAS VEGAS NV 89118

JORDAN, THAIS G  
 23-02561

BALLY TECHNOLOGIES  
 LAS VEGAS NV 89119

KARADZHOV, GEORGI I  
 23-02559

BALLY TECHNOLOGIES  
 LAS VEGAS NV 89119

KING, STEVEN P  
 23-02564

IGT  
 LAS VEGAS NV 89113

LARSON, GABRIEL J  
 23-02551

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89119

PERSON'S NAME  
 LICENSE ISSUE NUMBER

EMPLOYER'S NAME  
 PREMISES LOCATION

**NEW APPLICATIONS**

**MANUFACTURER REPRESENTATIVE**

MARTIN, GARON J  
 23-02569

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89119

MUNDT, RYAN C  
 23-02552

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89119

O'HANLEY, ROSS A  
 23-02565

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89119

QUINN, GALEN N  
 23-02571

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89119

RAHMAN, RUSSEL  
 23-02560

BALLY TECHNOLOGIES  
 LAS VEGAS NV 89119

RAMNATH, ROHITH  
 23-02558

BALLY TECHNOLOGIES  
 LAS VEGAS NV 89119

SCHWAB, TRAVIS K  
 23-02567

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89119

SHEPPARD, BRETT E  
 23-02566

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89119

STRINGER, PHILLIP C JR  
 23-02556

BALLY TECHNOLOGIES  
 LAS VEGAS NV 89119

TAKAGI, JOLYNNE M  
 23-02562

BALLY TECHNOLOGIES  
 LAS VEGAS NV 89119

TUTTLE, BRIAN K  
 23-02548

VIDEO KING  
 OMAHA NE 68154

VANG, CHAI  
 23-02553

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89119

VANGELDER, JONATHAN D  
 23-02546

VIDEO KING  
 OMAHA NE 68154

WINKLER, RYAN J  
 23-02554

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89119

WINTER, KEVIN R  
 23-02570

ARISTOCRAT TECHNOLOGIES INC  
 LAS VEGAS NV 89119



PERSON'S NAME  
 LICENSE ISSUE NUMBER

EMPLOYER'S NAME  
 PREMISES LOCATION

### NEW APPLICATIONS

#### NON-PROFIT GAMBLING MANAGER

ERDAHL, SHELLY A  
 61-04660

FOE 02681  
 KIRKLAND WA 98083

MONTANYE, BEVERLY A  
 61-04661

FOE 03002  
 TONASKET WA 98855

#### SERVICES SUPPLIER REPRESENTATIVE

BRUNO, MANUEL  
 63-00823

NORTH AMERICAN VIDEO  
 BRICK NJ 08723

LAKE, JODY L  
 63-00619

WG-AIRWAY HEIGHTS LLC  
 LAS VEGAS NV 89119

PHILLIPS, JOHN T  
 63-00824

NORTH AMERICAN VIDEO  
 BRICK NJ 08723

#### PUBLIC CARD ROOM EMPLOYEE

ALVARADO, MICHAEL D  
 68-31521

B

GOLDIE'S SHORELINE CASINO  
 SHORELINE WA 98133

BAIRD, JONATHAN R  
 68-34614

B

SLO PITCH PUB & EATERY  
 BELLINGHAM WA 98225

BIEKER, TREVOR K  
 68-34625

B

SLO PITCH PUB & EATERY  
 BELLINGHAM WA 98225

CARTER, TERRELL O  
 68-34642

B

THE PALACE  
 LA CENTER WA 98629

CEJA, HIEDI  
 68-34650

B

CASINO CARIBBEAN  
 YAKIMA WA 98901

COATS, ADAM K  
 68-13547

B

CARIBBEAN CARDROOM  
 KIRKLAND WA 98034

CUEVAS, AMBER C  
 68-07427

B

GREAT AMERICAN CASINO/TUKWILA  
 TUKWILA WA 98168

GORB, NINA I  
 68-34635

B

GREAT AMERICAN CASINO/EVERETT  
 EVERETT WA 98204

HARMON, BETTY L  
 68-34629

B

GREAT AMERICAN CASINO/LAKEWOOD  
 LAKEWOOD WA 98499

PERSON'S NAME  
 LICENSE ISSUE NUMBER

EMPLOYER'S NAME  
 PREMISES LOCATION

**NEW APPLICATIONS**

**PUBLIC CARD ROOM EMPLOYEE**

HARRISON, SEAN A 68-34632	B	PAPAS CASINO RESTAURANT & LOUN MOSES LAKE WA 98837
HODAPP, JOHN B 68-34646	B	ROYAL CASINO EVERETT WA 98204
HOLLISTER, JUSTIN S 68-34636	B	SILVER DOLLAR CASINO/SEATAC SEATAC WA 98188
JOHNSON, MARQUES A 68-34626	B	CRAZY MOOSE CASINO/PASCO PASCO WA 99301
KELLY, DENNIS J 68-34613	B	CHIPS CASINO/LAKEWOOD LAKEWOOD WA 98499
KOCHENBURGER, NICOLE A 68-34641	B	GREAT AMERICAN CASINO/LAKEWOO LAKEWOOD WA 98499
LAOHAROJ, RUNGNAPA 68-29557	B	SILVER DOLLAR CASINO/RENTON RENTON WA 98057
LUY, SOPHEA 68-34639	B	LAST FRONTIER LA CENTER WA 98629-0000
MAI, KY S 68-18229	B	GOLDIE'S SHORELINE CASINO SHORELINE WA 98133
MARTIN, KELLI M 68-16068	B	THE PALACE LA CENTER WA 98629
MAYBEE, DAVID E 68-12334	B	BLACK PEARL RESTAURANT & CARD SPOKANE VALLEY WA 99206-471
MORRISSEY, GEORGIA L 68-34637	B	ROYAL CASINO EVERETT WA 98204
NAU, SOPHANRY 68-34638	B	GREAT AMERICAN CASINO/TUKWILA TUKWILA WA 98168
NGUYEN, BRANDON H 68-17551	B	FREDDIE'S CLUB RENTON WA 98055
PADRON, ROGELIO A 68-28994	B	LANCER LANES/REST AND CASINO CLARKSTON WA 99403-2219
PEREZ HERRERA, ALEX 68-34648	B	CASINO CARIBBEAN YAKIMA WA 98901

PERSON'S NAME  
 LICENSE ISSUE NUMBER

EMPLOYER'S NAME  
 PREMISES LOCATION

**NEW APPLICATIONS**

**PUBLIC CARD ROOM EMPLOYEE**

PERRIGO, SABIAN T 68-34649	B	ALL STAR CASINO SILVERDALE WA 98383
SANDOVAL, SABRINA M 68-34644	B	GREAT AMERICAN CASINO/LAKEWOOD LAKEWOOD WA 98499
SCOTT, LINDA K 68-16824	B	FREDDIE'S CLUB RENTON WA 98055
SHIELDS, RYAN M 68-34643	B	NOB HILL CASINO YAKIMA WA 98902
TEP, TERRY 68-30524	B	EMERALD DOWNS AUBURN WA 98001
TODD, ANDRE N II 68-34634	B	GREAT AMERICAN CASINO/TUKWILA TUKWILA WA 98168
WASNER, SCOTT A 68-23648	B	LILAC LANES & CASINO SPOKANE WA 99208-7393
ZHOU, YONGLIN 68-34631	B	GREAT AMERICAN CASINO/DES MOIN DES MOINES WA 98198

PERSON'S NAME

LICENSE ISSUE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**CHEHALIS CONFEDERATED TRIBES**

BROWN, JOHN S  
69-33988

GALLAHER, JANET L  
69-43900

HALL, FRANCIS J JR  
69-43881

LA COUR, MICHAEL C  
69-40447

MILLER, CANDACE J  
69-43878

MURPHY, TRACY L  
69-43880

YOKOI, SLAO R  
69-43877

**COLVILLE CONFEDERATED TRIBES**

HATCH, COLT R  
69-43899

POWELL, BRANDON K  
69-43901

SWAN, TERRI S  
69-43831

**COWLITZ INDIAN TRIBE**

CULVER, TALISSA E  
69-43885

DERBY, JOSHUA P  
69-43794

DUVALL, COURTNEY E  
69-43884

GRAHAM, BRADLEY A  
69-43889

HOLTON, FRANCES K  
69-43793

KAUFMAN, SARAH G  
69-43886

LARAMOORE-CUTSHAW, LESLIE A  
69-43887

LEWIS, KENNETH L  
69-43705

MCDUGALL, MICKY R  
69-43770

MCKIMENS, JESSE R  
69-43773



PERSON'S NAME

LICENSE ISSUE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**COWLITZ INDIAN TRIBE**

MOORE, AXELSON J  
69-43890

MORGAN VENGLASS, HAYLEY M  
69-43792

OGAZ, KIM A  
69-43888

REMSTER, KATELYNN R  
69-43769

ROACH, HAILEY N  
69-43772

STEGALL, KELLY LEA B  
69-43771

**KALISPEL TRIBE**

HAEMMELMANN, DEMAS T  
69-39144

LOUCKS, CORY A  
69-43850

WHITE, MARCY A  
69-37441

**LUMMI NATION**

EDWARDS, VALERIE D  
69-43865

JACKSON, TRAVIS L  
69-07089

JEFFERSON, CLINT D  
69-43864

RUBIO, VERONICA  
69-43903

STONE, TRAVIS K  
69-43742

WILSON, DANA G  
69-43762

**MUCKLESHOOT INDIAN TRIBE**

CALUBANA, MARIVIC E  
69-43785

DECLERCQ, CHENE M  
69-43750

GRANVILLE, TRANG L  
69-43835

HOGWEIDE, ERICA L  
69-43749

JERRY, ALYSSA A  
69-43786

MANG, SAREM  
69-43869

PERSON'S NAME

LICENSE ISSUE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**MUCKLESHOOT INDIAN TRIBE**

MORTENSEN, CHARLOTTE SUZANNE K  
69-34305

NGETH-SRENG, ANNALISA N  
69-43836

OSTRANDER, LISA M  
69-43803

ROBLES, CHARMAINE S  
69-43806

WONG YU, ALLAINE MARIE M  
69-43807

**NISQUALLY INDIAN TRIBE**

BEARD, JOSHUA G  
69-43852

COOK, ROXANNE C  
69-43858

IYALL, CHARLES R  
69-43824

MAYNOR, ROGER D JR  
69-43851

NAM, GILLIAN S  
69-43859

ODORCICH, THOMAS M  
69-43826

ROBLEDO, JUSTINE B  
69-43825

STEPETIN, TOMMY P  
69-39579

**PORT GAMBLE S'KLALLAM TRIBE**

FITSEMONS, ASLYNN R  
69-43822

GONZALEZ DIAZ, SARAH  
69-43821

LINGER, JACOB A  
69-43820

MENDIOLA, PATRICK J  
69-43819

REED, HANAH L  
69-43823

**PUYALLUP TRIBE OF INDIANS**

ARGUELLO, NICOLE I  
69-43876

ATMODJO, MERY J  
69-43790

PERSON'S NAME

LICENSE ISSUE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**PUYALLUP TRIBE OF INDIANS**

BENNETT, RONICA A  
69-07366

BOGGS, LINDA J  
69-43838

BOZARTH, MICHAEL A  
69-43856

CARMELL, WENDY J  
69-43849

DEAN, HEATHER E  
69-28294

ESERA, FIAPAPALAGI L  
69-43844

FIELDS, TREVON A  
69-43809

GONZALEZ, JUAN F JR  
69-43855

GUTTANG, JOHN A  
69-43758

HARDING, ABRAHAM P  
69-43685

HENIE, STEVEN A  
69-43782

HOLLANDSWORTH, LESLIE J  
69-25203

JACKSON, AMANDA D  
69-43845

KYLLONEN, DAVIS G  
69-43843

LEK, SINENG  
69-43846

MELENDEZ, ANDREW D  
69-43722

MERRYFIELD, DEVON J  
69-43757

PHON, POEUN  
69-12748

RATEKIN, EMILEE C  
69-31947

**QUINAULT NATION**

DODD, MATTHEW M  
69-43774

FILIPPE, JOHN C  
69-43775

PERSON'S NAME

LICENSE ISSUE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**SKOKOMISH TRIBE**

EMERSON, CRISTINA D  
69-43868

**SPOKANE TRIBE**

ASHANI, ISMET  
69-43559

BARKER, JEREMY G  
69-43904

BAULNE, PAUL C  
69-43830

BIRD, KAMIAH C  
69-43829

BRISBOIS, MERWIN G JR  
69-43664

CHARBONNEAU, DONNA S  
69-43714

CHEVALL, TYRONE T  
69-43920

ELDRED, KAREN L  
69-43715

FORD, DARRELL D  
69-27839

GALVIN, CHRISTOPHER A  
69-43828

GONZALEZ, LUCIO R  
69-43866

HINES, DAVIN L  
69-43834

HINTON, MICHAEL E  
69-43716

HOOPER, RUSTI J  
69-43561

JIMSON, JOSHUA M  
69-43802

LOWLEY, LORETTA S  
69-43674

MACIAS, CLARISA E  
69-43754

MCCREA, KELLY S  
69-43832

MELVIN, SANDRA L  
69-43897

NOBLE, CHRISTAL D  
69-27881

OSTLIE, TYSON S  
69-43906

PETTIT, JONATHAN L  
69-43665

PERSON'S NAME

LICENSE ISSUE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**SPOKANE TRIBE**

PIPER, SAMANTHA J  
69-43861

POUSHAY, REGENA A  
69-43797

RAGLAND, KORI L  
69-43717

RAYMOND, VENESSA L  
69-43867

REITZ, CRISTIE A  
69-43873

RICE, KONNIE L  
69-43896

SIJOHN, DESSIRAE J  
69-43752

SIMON, CYNTHIA L  
69-43854

SNIDER, TARA R  
69-43863

TONASKET, RANAE J  
69-43833

TOWNS, HASIM T  
69-43801

VAN PELT, ANDREW A  
69-43919

WATLAMETT, ALVINA D  
69-43893

WEBER, STACY L  
69-43908

WILLIAMS, LELAND J  
69-43898

WILLIAMS, REBECCA R  
69-43751

YEADO, JEREMY L  
69-43857

**SQUAXIN ISLAND TRIBE**

EVRENSEL, BERK S  
69-43675

GUYER, NICOLAS M  
69-43755

HUGHES, JON R  
69-43753

MOORE, TIMOTHY W  
69-43872



PERSON'S NAME

LICENSE ISSUE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**STILLAGUAMISH TRIBE**

AGUILAR, ERNESTO J  
69-43875

CALIN, SANDY L  
69-43804

CONNOLLY, COLBY C  
69-43759

EVERTZ, SYDNE E  
69-43874

FULTON, DALE E  
69-43879

JACKSON, TAMERA R  
69-43842

LANG, MATHEW E  
69-43787

ODENEAL, JOSHUA N  
69-43816

RING, SHANTARA L  
69-43902

ROWE, JOANNE L  
69-43837

STONECASTLE, MICHELLE N  
69-43760

WILCOMB, WENDY J  
69-43841

WORTLEY, TRINITY W  
69-43761

**SUQUAMISH TRIBE**

BLANTON, AIMEE A  
69-43789

COLANGELO, LINDA S  
69-43788

CUISON, RHOBELYNE  
69-43767

DODD, JACKLYN D  
69-43815

HARGROVE, JEFFREY J  
69-43783

HILLS, ANDREA S  
69-43778

JOHNSEN, ALEXANDREA B  
69-43766

LONEIA, CELESTE F  
69-05832

MILLS, LUTHER F JR  
69-09480

RANCATORE, MARK J  
69-43827

PERSON'S NAME

LICENSE ISSUE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**SUQUAMISH TRIBE**

TOLEDO, EMMIE ROSE P  
69-36598

TRAYFALGAR, JASPER R  
69-43779

URBINA, ANGELICA Y  
69-43776

**SWINOMISH INDIAN TRIBAL COMMUNITY**

BERK-SOHN, NICHOLAS P  
69-43784

CHARLES-DAY, RYAN J  
69-43808

DAY, CHRISTINE K  
69-40489

HOOD, KELLAN E  
69-43839

JORNALES, NILO M  
69-43912

**THE TULALIP TRIBES**

CASTANEDA, ALBERTO  
69-43813

FRYBERG, WENDY S  
69-00228

IRWIN, JOEL A  
69-43811

OSCAR, MICHELLE L  
69-43860

TURNER, STEPHANIE L  
69-43781

WEATHERSBY, KARL L  
69-43862

WILSON, KENNETH R  
69-43812

**UPPER SKAGIT INDIAN TRIBE**

BILLIOT, SYNEVA T  
69-43780

DANIELS, RAYMOND T  
69-43814

HARRIS, KRISTINA G  
69-43810

KINANE, JAMES R  
69-43871

PERSON'S NAME

LICENSE ISSUE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**YAKAMA NATION**

BITSOI, LYDIA M  
69-43848

BUCK, TERESA J  
69-34086

DELGADO, ANGEL  
69-43818

DIAZ, LUIZ M  
69-43853

EAGLE CLAW, ANNIE L  
69-15035

JAMES, MATTHEW P  
69-43765

LEWIS, DAVID A  
69-14139

LOPEZ, CARLOS N  
69-18291

MENINICK, NICHOLE J  
69-43817

OLIVERA, MARIA G  
69-43764

OLNEY, ALBERT J  
69-09243

RAMBLER, TERRY L  
69-18574

SMISCON, JIM S  
69-34033

STALCUP, DAVID L  
69-30935

STARR, SONOVIA C  
69-43847



STATE OF WASHINGTON  
GAMBLING COMMISSION

“Protect the Public by Ensuring that Gambling is Legal and Honest”

January 30, 2018

**TO:**                **COMMISSIONERS**  
                          Bud Sizemore, Chair  
                          Julia Patterson, Vice-Chair  
                          Christopher Stearns  
                          Ed Troyer

**EX OFFICIO MEMBERS**  
Senator Steve Conway  
Senator Lynda Wilson  
Representative Brandon Vick  
Representative David Sawyer

**FROM:**        Brian J. Considine, Managing Attorney/Legislative Liaison

**SUBJECT:    LEGISLATIVE UPDATE**

We are already into the fourth week of the 2018 60-day session. The following legislative cutoffs are happening soon:

- Friday, February 2, 2018 - Policy committee cutoff;
- Tuesday, February 6, 2018 - Fiscal committee cutoff; and
- Wednesday, February 14, 2018 - Last day bills can be considered in its house of origin.

Additionally, sine die is on March 8, 2018, and it will occur prior to our March Commission Meeting.

Therefore, our February meeting will be the last opportunity to brief you on bills and for you vote to take a position on a bill. Below is a summary of noteworthy bills we are currently tracking, but many of these bills may be dead by the time we meet on February 8, 2018.

**Bills The Commission Voted to Support:**

1. **EHB 2332 (attached) and SB 6331, Concerning Gambling Addiction**  
Representative Sawyer's HB 2332 self-exclusion bill was passed out of the House, 94-3, on January 24, 2018, with an amendment. The amendment adds protections for personal information that we collect under the program. Staff does not have any concerns about these requirements at this time. The amended bill is now in Senate Labor and Commerce and should be heard and voted out of committee by the February 18, 2018 policy committee cutoff.

Senator Conway's SB 6331 is scheduled for a hearing on January 31, 2018. The expectation is the hearing will be a good opportunity to discuss self-exclusion and

problem gambling issues with the committee. The expectation is for the committee to pass EHB 2332 out of committee and it will not take action on SB 6331.

**Possible Legislation Action Items:**

**2. HB 2881, Creating a new crime applicable to platforms, including internet web sites, that facilitate unauthorized gambling activity (attached)**

Representative Sawyer's HB 2881 criminalizes the operation of an online website or platform that facilitates, or is used to facilitate, an unauthorized gambling activity. The bill makes it a Class C felony for a person to knowingly facilitate an illegal gambling where using virtual items are used as things of value.

This bill is meant to address issues related to the Commission's case with Valve and online "skin" gambling. The bill is scheduled for a hearing in the House Public Safety Committee on January 30, 2018. Commissioner Stearns, Director Trujillo, and I will testify on the bill. We will be neutral on the bill since you have not voted yet to take a position and will be there to provide background information on "skins," "skin" gambling, and what we learned through our investigation.

**3. SB 6266, Concerning loot boxes in online games and apps (attached)**

Senator Ranker's SB 6266 identifies the use of video game "loot boxes" as a topic the Commission should investigate and determine if it is gambling. Loot boxes are a digital "box" or "grab bag" that video game players have to spend real or in-game currency on. Opening the box gives the player a chance at obtaining a virtual item or currency that can be used in the video game. The player does not know what she or he will win. The items received in a loot box can be cosmetic, "skins" are an example, or something to help you perform better in the game. This topic received attention after E.A. Sports' Star Wars Battlefront II video game included loot boxes in the gameplay. Players became upset and complained the "pay to play" was wrong and was akin to gambling. However, the use of loot boxes has been around for a few years and was mostly found in online games like those found on Valve's platform or mobile device games.

SB 6266 requires the Commission to conduct a study and report to the Legislature by December 1, 2018 on the following topics: (1) Whether games and apps containing these mechanisms are considered gambling under Washington law; (2) whether these mechanisms belong in games and apps; (3) whether minors and other young people, who may be more vulnerable to gambling addiction, should have access to games and apps with these mechanisms; and (4) the lack of disclosure and transparency with respect to the odds of receiving each type of virtual item.

Director Trujillo and I met with Senator Ranker to discuss his bill. He is very concerned about the use of loot boxes and has discussed them with several company leaders within the gaming industry. He would like the Commission's support on his bill.

A hearing has been scheduled for January 31, 2018 in the Senate Labor and Commerce Committee. Commissioner Stearns, Director Trujillo, and I will testify on the bill. We



will be neutral on the bill since you have not voted yet to take a position and will be there to provide background information on loot boxes.

#### **Bills with Direct Gambling Impacts.**

4. **HB 2416, Concerning workers at gambling establishments participating as a player in gambling activities**

Representative Kirby's HB 2416 had a hearing in House Commerce and Gaming on January 16, 2018. Director Trujillo and I testified on the bill. We were neutral and provided information and background on the topic. We had a good discussion about gambling employees gambling at their places of employment. Representative Kirby believes rule-making is the best way to address employees gambling at their places of employment. He has requested that his bill not move at this time and hopes the Commission will take up this issue if/when the rule petition is re-submitted in 2018.

5. **ESSB 5671, An act relating to simplifying the process for bona fide charitable and nonprofit organization to engage in activities and social pastimes, and raise funds for their authorized purposes**

Senator Fortunato discussed his ESSB 5671 and his raffle concerns with you at the January 2018 Commission meeting. I have had several discussions with him since the January meeting, and he would like to see the Commission enter into rule-making, if possible, to address his concerns related to discount raffle ticket packages and drawing of objects instead of a ticket in a raffle. Our position is currently opposed due to changes made to the operation of raffles, and I recommend that our position be unchanged until the problematic language is corrected or dropped from the bill. At this time, ESSB 5671 is unlikely to move out of the Senate and I do not believe any new vote by you is warranted at this time.

6. **HB 2103, Concerning the gambling commission**

Representative Sawyer's HB 2103 was introduced last year and it establishes a new appropriated account to fund the Gambling Commission's law enforcement duties. This bill is not moving forward this session.

7. **SB 5169, Classifying fantasy sports contests as contests of skill**

Senator Ericksen's SB 5169 was introduced last year and it authorizes fantasy sports as contests of skill and excludes them from Washington's gambling laws. This bill is not moving forward this session.

#### **Law Enforcement Bills**

8. **SHB 2718, Concerning seizure and forfeiture procedures and reporting**

Representatives Shea and Goodman's HB 2718 address civil forfeiture standards and reporting. I briefed you on a draft bill during our January Commission meeting. This bill does not amend the Gambling Act. However, it creates some new civil forfeiture

reporting requirements for the Commission and all other law enforcement agencies. WASPC and other stakeholders have taken the lead on this bill due to concerns with some language in the amended bill, including some reporting requirements. We will continue to monitor the bill but I recommend taking no action at this time due to the likely minimal impact the bill will have on the agency.

9. **Initiative Measure Number 940 (I-940), Police Training and Criminal Liability in Cases of Deadly Force Measure**

I-940 was certified by the Secretary of State and it is now filed with the Legislature. The legislature now has three options during the 2018 legislative session: (1) adopt the initiative as proposed, with no amendments, and it becomes law without a vote of the people; (2) no action and the initiative will be on the November 2018 general election ballot for a vote of the people; or (3) enact a different bill on the same subject and the bill and initiative will be on the November 2018 general election ballot for a vote of the people.

It is expected that the Legislature will not pass this initiative as a bill or pass a competing bill with a different criminal standard and training requirements. Therefore, we expect I-940 to be put to a vote of the people during the November 2018 general election.

**Budget and Other Bills**

10. **HB 2299/SB 6032, supplemental operating appropriations**

The House and Senate have filed their proposed 2018 supplemental budget bills. Neither bill impacts our gambling revolving account. Both bills maintain the current level of funding for the problem gambling account. Both bills reduce the state's contribution for employee health insurance payments from \$957/month to \$906/month – this would reduce the agency's FY19 costs by \$612/employee, a total of \$69,768 for our budgeted 114 employees. We will continue to monitor these fiscal bills and will report back to you if any changes are made that will impact the agency or the gambling revolving account.

11. **HB 2278, Concerning personal information privacy protections in government entities**

Representative Morris' HB 2278 was passed out of House State Government, Elections, and Information Technology. It has been referred to Transportation and is not yet scheduled for a hearing in this committee. This bill would impact the Commission, but many agencies have concerns about the impact and cost of this bill. The Governor's Office is organizing with the larger agencies to work and comment on this bill. We will continue to monitor it but I do not expect it to be passed into law, especially as it is currently written.

**Problem Gambling Legislative Work Session**

12. The problem gaming work session in the House Commerce and Gaming Committee is tentatively scheduled for February 19, 2018, from 1:30 p.m. to 3:00 p.m. I have let Committee staff know that Commissioners Patterson and Stearns, Director Trujillo, and I

will participate in the work session. I will be working with committee staff to ensure we have a good group of presenters and successful work session.

**Commissioner Confirmations**

13. Commissioner Sizemore and Commissioner Patterson had confirmation hearings in the Senate Labor and Commerce Committee on January 17, 2018. The Labor and Commerce Committee voted to confirm both Commissioners. They are now on the Senate Confirmation Calendar and will likely be confirmed by vote of the full Senate sometime in the next few weeks.

I am still working with Senate staff to have Commissioner Stearns and Commissioner Troyer also confirmed this session, if possible.

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ENGROSSED HOUSE BILL 2332

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State of Washington

65th Legislature

2018 Regular Session

By Representatives Sawyer, Condotta, Ormsby, and Appleton

Prefiled 12/28/17. Read first time 01/08/18. Referred to Committee on Commerce & Gaming.

1 AN ACT Relating to gambling addiction; amending RCW 9.46.071 and  
2 42.56.230; and providing an effective date.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 9.46.071 and 2005 c 369 s 9 are each amended to read  
5 as follows:

6 (1)(a) The legislature recognizes that some individuals in this  
7 state are problem or pathological gamblers. Because the state  
8 promotes and regulates gambling through the activities of the state  
9 lottery commission, the Washington horse racing commission, and the  
10 Washington state gambling commission, the state has the  
11 responsibility to continue to provide resources for the support of  
12 services for problem and pathological gamblers. Therefore, the  
13 Washington state gambling commission, the Washington horse racing  
14 commission, and the state lottery commission shall jointly develop  
15 informational signs concerning problem and pathological gambling  
16 which include a toll-free hotline number for problem and pathological  
17 gamblers. The signs shall be placed in the establishments of gambling  
18 licensees, horse racing licensees, and lottery retailers. In  
19 addition, the Washington state gambling commission, the Washington  
20 horse racing commission, and the state lottery commission may also  
21 contract with other qualified entities to provide public awareness,

1 training, and other services to ensure the intent of this section is  
2 fulfilled.

3 (b) The legislature finds that problem and pathological gambling  
4 continues to negatively impact individuals and families in this  
5 state. It is estimated that about five percent of adults in the state  
6 will experience problem or pathological gambling behaviors in their  
7 lifetime. Previous and ongoing efforts to prevent and assist people  
8 in treating problem and pathological gambling have proven beneficial,  
9 such as increasing public awareness, funding treatment services for  
10 individuals, and requiring informational signs in gambling  
11 establishments that include a toll-free hotline number for problem  
12 and pathological gamblers. However, people and families facing  
13 problem or pathological gambling issues will further benefit from the  
14 availability of a uniform self-exclusion program where people may  
15 voluntarily exclude themselves from gambling at multiple gambling  
16 establishments by submitting one self-exclusion form to the state  
17 from one location. It is the intent of subsection (3) of this section  
18 to establish such a uniform self-exclusion program to assist people  
19 in preventing or ending problem or pathological gambling behaviors  
20 permanently.

21 (2)(a) During any period in which RCW 82.04.285(2) is in effect,  
22 the commission may not increase fees payable by licensees under its  
23 jurisdiction for the purpose of funding services for problem and  
24 pathological gambling. Any fee imposed or increased by the  
25 commission, for the purpose of funding these services, before July 1,  
26 2005, (~~shall have~~) has no force and effect after July 1, 2005.

27 (b) During any period in which RCW 82.04.285(2) is not in effect:

28 (i) The commission, the Washington state horse racing commission,  
29 and the state lottery commission may contract for services, in  
30 addition to those authorized in subsection (1) of this section, to  
31 assist in providing for treatment of problem and pathological  
32 gambling; and

33 (ii) The commission may increase fees payable by (~~licenses~~  
34 ~~{licensees}~~) licensees under its jurisdiction for the purpose of  
35 funding the services authorized in this section for problem and  
36 pathological gamblers.

37 (3) By June 30, 2020, the commission must adopt rules  
38 establishing a self-exclusion program for problem and pathological  
39 gamblers. The commission has discretion in establishing the scope and



1 requirements of the self-exclusion program. However, the program must  
2 include, at a minimum, the following:

3 (a) A process for a person who believes the person is or may be a  
4 problem or pathological gambler to voluntarily exclude themselves  
5 from gambling at all gambling establishments licensed by the  
6 commission; and

7 (b) A process for casinos owned or operated by Indian tribes or  
8 tribal enterprises to voluntarily participate in the self-exclusion  
9 program, so that ultimately a person who is or may be a problem or  
10 pathological gambler may self-exclude themselves from gambling at all  
11 casinos and state-licensed gambling establishments in the state, no  
12 matter who owns or operates the casino or state-licensed gambling  
13 establishment, by submitting one form at one location.

14 (4)(a) The commission may not contract with a third party to  
15 administer the self-exclusion program created pursuant to this  
16 section.

17 (b) Any personal information collected, stored, or accessed under  
18 the self-exclusion program created pursuant to this section may not  
19 be sold, monetized, or traded by the commission or any person or  
20 business authorized to access personal information through the  
21 program.

22 (c) Any personal information collected, stored, or accessed under  
23 the self-exclusion program may not be used for any purpose other than  
24 the administration of the self-exclusion program.

25 **Sec. 2.** RCW 42.56.230 and 2017 3rd sp.s. c 6 s 222 are each  
26 amended to read as follows:

27 The following personal information is exempt from public  
28 inspection and copying under this chapter:

29 (1) Personal information in any files maintained for students in  
30 public schools, patients or clients of public institutions or public  
31 health agencies, or welfare recipients;

32 (2)(a) Personal information:

33 (i) For a child enrolled in licensed child care in any files  
34 maintained by the department of children, youth, and families;

35 (ii) For a child enrolled in a public or nonprofit program  
36 serving or pertaining to children, adolescents, or students,  
37 including but not limited to early learning or child care services,  
38 parks and recreation programs, youth development programs, and after-  
39 school programs; or

1 (iii) For the family members or guardians of a child who is  
2 subject to the exemption under this subsection (2) if the family  
3 member or guardian has the same last name as the child or if the  
4 family member or guardian resides at the same address as the child  
5 and disclosure of the family member's or guardian's information would  
6 result in disclosure of the personal information exempted under  
7 (a)(i) and (ii) of this subsection.

8 (b) Emergency contact information under this subsection (2) may  
9 be provided to appropriate authorities and medical personnel for the  
10 purpose of treating the individual during an emergency situation;

11 (3) Personal information in files maintained for employees,  
12 appointees, or elected officials of any public agency to the extent  
13 that disclosure would violate their right to privacy;

14 (4) Information required of any taxpayer in connection with the  
15 assessment or collection of any tax if the disclosure of the  
16 information to other persons would: (a) Be prohibited to such persons  
17 by RCW 84.08.210, 82.32.330, 84.40.020, 84.40.340, or any ordinance  
18 authorized under RCW 35.102.145; or (b) violate the taxpayer's right  
19 to privacy or result in unfair competitive disadvantage to the  
20 taxpayer;

21 (5) Credit card numbers, debit card numbers, electronic check  
22 numbers, card expiration dates, or bank or other financial  
23 information as defined in RCW 9.35.005 including social security  
24 numbers, except when disclosure is expressly required by or governed  
25 by other law;

26 (6) Personal and financial information related to a small loan or  
27 any system of authorizing a small loan in RCW 31.45.093;

28 (7)(a)(i) Any record used to prove identity, age, residential  
29 address, social security number, or other personal information  
30 required to apply for a driver's license or identicard.

31 (~~(b)~~) (ii) Information provided under RCW 46.20.111 that  
32 indicates that an applicant declined to register with the selective  
33 service system.

34 (~~(e)~~) (iii) Any record pertaining to a vehicle license plate,  
35 driver's license, or identicard issued under RCW 46.08.066 that,  
36 alone or in combination with any other records, may reveal the  
37 identity of an individual, or reveal that an individual is or was,  
38 performing an undercover or covert law enforcement, confidential  
39 public health work, public assistance fraud, or child support  
40 investigative activity. This exemption does not prevent the release

1 of the total number of vehicle license plates, drivers' licenses, or  
2 identicards that, under RCW 46.08.066, an agency or department has  
3 applied for, been issued, denied, returned, destroyed, lost, and  
4 reported for misuse.

5 ~~((d))~~ (iv) Any record pertaining to a vessel registration  
6 issued under RCW 88.02.330 that, alone or in combination with any  
7 other records, may reveal the identity of an individual, or reveal  
8 that an individual is or was, performing an undercover or covert law  
9 enforcement activity. This exemption does not prevent the release of  
10 the total number of vessel registrations that, under RCW 88.02.330,  
11 an agency or department has applied for, been issued, denied,  
12 returned, destroyed, lost, and reported for misuse.

13 (b) Upon request by the legislature, the department of licensing  
14 must provide a report to the legislature containing all of the  
15 information in (a)(iii) and (iv) of this subsection (7) that is  
16 subject to public disclosure;

17 (8) All information related to individual claims resolution  
18 structured settlement agreements submitted to the board of industrial  
19 insurance appeals under RCW 51.04.063, other than final orders from  
20 the board of industrial insurance appeals(~~(-~~

21 ~~Upon request by the legislature, the department of licensing~~  
22 ~~shall provide a report to the legislature containing all of the~~  
23 ~~information in subsection (7)(c) and (d) of this section that is~~  
24 ~~subject to public disclosure; and));~~

25 (9) Voluntarily submitted information contained in a database  
26 that is part of or associated with enhanced 911 emergency  
27 communications systems, or information contained or used in emergency  
28 notification systems as provided under RCW 38.52.575 and 38.52.577;  
29 and

30 (10) All information submitted by a person to the state, either  
31 directly or through a state-licensed gambling establishment or casino  
32 owned or operated by an Indian tribe or tribal enterprise, as part of  
33 the self-exclusion program established in RCW 9.46.071 for people who  
34 believe they are or may be a problem or pathological gambler.

35 NEW SECTION. Sec. 3. This act takes effect July 1, 2018.

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HOUSE BILL 2881

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State of Washington

65th Legislature

2018 Regular Session

By Representatives Sawyer and Vick

1 AN ACT Relating to creating a new crime applicable to platforms,  
2 including internet web sites, that facilitate unauthorized gambling  
3 activity; reenacting and amending RCW 9.94A.515; adding new sections  
4 to chapter 9.46 RCW; and prescribing penalties.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 9.46 RCW  
7 to read as follows:

8 (1) A person is guilty of operating a platform that facilitates  
9 an unauthorized gambling activity if the person operates a platform,  
10 including an internet web site, that charges customers a fee for a  
11 service or product and on which customers may transfer virtual items  
12 with or without a charge, if the person knows or, based on the  
13 totality of the circumstances, could reasonably be expected to know,  
14 that third parties use the platform to engage in an unauthorized  
15 gambling activity involving the wager or transfer of virtual items.

16 (2) A violation of this section is a class C felony.

17 (3) For purposes of this section:

18 (a) "Customer" means a person with an account on the platform or  
19 a person who uses or visits the platform for the purpose of using or  
20 purchasing a product or service offered or provided by or through the  
21 platform; and

1 (b) "Platform" means an internet web site, service, product, or  
2 business model:

3 (i) Through which the owner or operator charges customers a fee  
4 for a product or service offered or made available to customers, even  
5 if some products or services offered or made available to customers  
6 are free; and

7 (ii) That involves in any respect the use, transfer, or sale of a  
8 virtual item.

9 NEW SECTION. **Sec. 2.** A new section is added to chapter 9.46 RCW  
10 to read as follows:

11 "Virtual item" means a person, player, or character's appearance,  
12 accessory, or privilege in a video, computer, internet, or electronic  
13 game, or any other type of digital or intangible object or thing, if  
14 such object or thing is capable of conversion into a currency used  
15 anywhere in the world or is capable of being accepted as a deposit by  
16 an operator of a gambling activity, in the form of a store of value,  
17 for the purposes of gambling on the internet.

18 **Sec. 3.** RCW 9.94A.515 and 2017 c 335 s 4, 2017 c 292 s 3, 2017 c  
19 272 s 10, and 2017 c 266 s 8 are each reenacted and amended to read  
20 as follows:

21 TABLE 2

22 CRIMES INCLUDED WITHIN EACH  
23 SERIOUSNESS LEVEL

24	XVI	Aggravated Murder 1 (RCW 10.95.020)
25	XV	Homicide by abuse (RCW 9A.32.055)
26		Malicious explosion 1 (RCW
27		70.74.280(1))
28		Murder 1 (RCW 9A.32.030)
29	XIV	Murder 2 (RCW 9A.32.050)
30		Trafficking 1 (RCW 9A.40.100(1))
31	XIII	Malicious explosion 2 (RCW
32		70.74.280(2))
33		Malicious placement of an explosive 1
34		(RCW 70.74.270(1))
35	XII	Assault 1 (RCW 9A.36.011)



1 Assault of a Child 1 (RCW 9A.36.120)  
2 Malicious placement of an imitation  
3 device 1 (RCW 70.74.272(1)(a))  
4 Promoting Commercial Sexual Abuse of  
5 a Minor (RCW 9.68A.101)  
6 Rape 1 (RCW 9A.44.040)  
7 Rape of a Child 1 (RCW 9A.44.073)  
8 Trafficking 2 (RCW 9A.40.100(3))  
9 XI Manslaughter 1 (RCW 9A.32.060)  
10 Rape 2 (RCW 9A.44.050)  
11 Rape of a Child 2 (RCW 9A.44.076)  
12 Vehicular Homicide, by being under the  
13 influence of intoxicating liquor or  
14 any drug (RCW 46.61.520)  
15 Vehicular Homicide, by the operation of  
16 any vehicle in a reckless manner  
17 (RCW 46.61.520)  
18 X Child Molestation 1 (RCW 9A.44.083)  
19 Criminal Mistreatment 1 (RCW  
20 9A.42.020)  
21 Indecent Liberties (with forcible  
22 compulsion) (RCW  
23 9A.44.100(1)(a))  
24 Kidnapping 1 (RCW 9A.40.020)  
25 Leading Organized Crime (RCW  
26 9A.82.060(1)(a))  
27 Malicious explosion 3 (RCW  
28 70.74.280(3))  
29 Sexually Violent Predator Escape (RCW  
30 9A.76.115)  
31 IX Abandonment of Dependent Person 1  
32 (RCW 9A.42.060)  
33 Assault of a Child 2 (RCW 9A.36.130)  
34 Explosive devices prohibited (RCW  
35 70.74.180)

1 Hit and Run—Death (RCW  
2 46.52.020(4)(a))  
3 Homicide by Watercraft, by being under  
4 the influence of intoxicating liquor  
5 or any drug (RCW 79A.60.050)  
6 Inciting Criminal Profiteering (RCW  
7 9A.82.060(1)(b))  
8 Malicious placement of an explosive 2  
9 (RCW 70.74.270(2))  
10 Robbery 1 (RCW 9A.56.200)  
11 Sexual Exploitation (RCW 9.68A.040)  
12 VIII Arson 1 (RCW 9A.48.020)  
13 Commercial Sexual Abuse of a Minor  
14 (RCW 9.68A.100)  
15 Homicide by Watercraft, by the  
16 operation of any vessel in a reckless  
17 manner (RCW 79A.60.050)  
18 Manslaughter 2 (RCW 9A.32.070)  
19 Promoting Prostitution 1 (RCW  
20 9A.88.070)  
21 Theft of Ammonia (RCW 69.55.010)  
22 VII Air bag diagnostic systems (causing  
23 bodily injury or death) (RCW  
24 46.37.660(2)(b))  
25 Air bag replacement requirements  
26 (causing bodily injury or death)  
27 (RCW 46.37.660(1)(b))  
28 Burglary 1 (RCW 9A.52.020)  
29 Child Molestation 2 (RCW 9A.44.086)  
30 Civil Disorder Training (RCW  
31 9A.48.120)  
32 Dealing in depictions of minor engaged  
33 in sexually explicit conduct 1  
34 (RCW 9.68A.050(1))  
35 Drive-by Shooting (RCW 9A.36.045)

1 Homicide by Watercraft, by disregard  
2 for the safety of others (RCW  
3 79A.60.050)

4 Indecent Liberties (without forcible  
5 compulsion) (RCW 9A.44.100(1)  
6 (b) and (c))

7 Introducing Contraband 1 (RCW  
8 9A.76.140)

9 Malicious placement of an explosive 3  
10 (RCW 70.74.270(3))

11 Manufacture or import counterfeit,  
12 nonfunctional, damaged, or  
13 previously deployed air bag  
14 (causing bodily injury or death)  
15 (RCW 46.37.650(1)(b))

16 Negligently Causing Death By Use of a  
17 Signal Preemption Device (RCW  
18 46.37.675)

19 ~~((Sale {of}))~~ Sell, install, or reinstall  
20 counterfeit, nonfunctional,  
21 damaged, or previously deployed  
22 airbag (RCW 46.37.650(2)(b))

23 Sending, bringing into state depictions  
24 of minor engaged in sexually  
25 explicit conduct 1 (RCW  
26 9.68A.060(1))

27 Unlawful Possession of a Firearm in the  
28 first degree (RCW 9.41.040(1))

29 Use of a Machine Gun in Commission  
30 of a Felony (RCW 9.41.225)

31 Vehicular Homicide, by disregard for  
32 the safety of others (RCW  
33 46.61.520)

34 VI Bail Jumping with Murder 1 (RCW  
35 9A.76.170(3)(a))

36 Bribery (RCW 9A.68.010)

37 Incest 1 (RCW 9A.64.020(1))

1 Intimidating a Judge (RCW 9A.72.160)  
2 Intimidating a Juror/Witness (RCW  
3 9A.72.110, 9A.72.130)  
4 Malicious placement of an imitation  
5 device 2 (RCW 70.74.272(1)(b))  
6 Possession of Depictions of a Minor  
7 Engaged in Sexually Explicit  
8 Conduct 1 (RCW 9.68A.070(1))  
9 Rape of a Child 3 (RCW 9A.44.079)  
10 Theft of a Firearm (RCW 9A.56.300)  
11 Theft from a Vulnerable Adult 1 (RCW  
12 9A.56.400(1))  
13 Unlawful Storage of Ammonia (RCW  
14 69.55.020)  
15 V Abandonment of Dependent Person 2  
16 (RCW 9A.42.070)  
17 Advancing money or property for  
18 extortionate extension of credit  
19 (RCW 9A.82.030)  
20 Air bag diagnostic systems (RCW  
21 46.37.660(2)(c))  
22 Air bag replacement requirements  
23 (RCW 46.37.660(1)(c))  
24 Bail Jumping with class A Felony  
25 (RCW 9A.76.170(3)(b))  
26 Child Molestation 3 (RCW 9A.44.089)  
27 Criminal Mistreatment 2 (RCW  
28 9A.42.030)  
29 Custodial Sexual Misconduct 1 (RCW  
30 9A.44.160)  
31 Dealing in Depictions of Minor  
32 Engaged in Sexually Explicit  
33 Conduct 2 (RCW 9.68A.050(2))

1 Domestic Violence Court Order  
2 Violation (RCW 10.99.040,  
3 10.99.050, 26.09.300, 26.10.220,  
4 26.26.138, 26.50.110, 26.52.070, or  
5 74.34.145)  
6 Extortion 1 (RCW 9A.56.120)  
7 Extortionate Extension of Credit (RCW  
8 9A.82.020)  
9 Extortionate Means to Collect  
10 Extensions of Credit (RCW  
11 9A.82.040)  
12 Incest 2 (RCW 9A.64.020(2))  
13 Kidnapping 2 (RCW 9A.40.030)  
14 Manufacture or import counterfeit,  
15 nonfunctional, damaged, or  
16 previously deployed air bag (RCW  
17 46.37.650(1)(c))  
18 Perjury 1 (RCW 9A.72.020)  
19 Persistent prison misbehavior (RCW  
20 9.94.070)  
21 Possession of a Stolen Firearm (RCW  
22 9A.56.310)  
23 Rape 3 (RCW 9A.44.060)  
24 Rendering Criminal Assistance 1 (RCW  
25 9A.76.070)  
26 ~~((Sale of))~~ Sell, install, or reinstall  
27 counterfeit, nonfunctional,  
28 damaged, or previously deployed  
29 airbag (RCW 46.37.650(2)(c))  
30 Sending, Bringing into State Depictions  
31 of Minor Engaged in Sexually  
32 Explicit Conduct 2 (RCW  
33 9.68A.060(2))  
34 Sexual Misconduct with a Minor 1  
35 (RCW 9A.44.093)



1 Sexually Violating Human Remains  
2 (RCW 9A.44.105)  
3 Stalking (RCW 9A.46.110)  
4 Taking Motor Vehicle Without  
5 Permission 1 (RCW 9A.56.070)  
6 IV Arson 2 (RCW 9A.48.030)  
7 Assault 2 (RCW 9A.36.021)  
8 Assault 3 (of a Peace Officer with a  
9 Projectile Stun Gun) (RCW  
10 9A.36.031(1)(h))  
11 Assault 4 (third domestic violence  
12 offense) (RCW 9A.36.041(3))  
13 Assault by Watercraft (RCW  
14 79A.60.060)  
15 Bribing a Witness/Bribe Received by  
16 Witness (RCW 9A.72.090,  
17 9A.72.100)  
18 Cheating 1 (RCW 9A.46.1961)  
19 Commercial Bribery (RCW 9A.68.060)  
20 Counterfeiting (RCW 9.16.035(4))  
21 Driving While Under the Influence  
22 (RCW 46.61.502(6))  
23 Endangerment with a Controlled  
24 Substance (RCW 9A.42.100)  
25 Escape 1 (RCW 9A.76.110)  
26 Hit and Run—Injury (RCW  
27 46.52.020(4)(b))  
28 Hit and Run with Vessel—Injury  
29 Accident (RCW 79A.60.200(3))  
30 Identity Theft 1 (RCW 9.35.020(2))  
31 Indecent Exposure to Person Under Age  
32 Fourteen (subsequent sex offense)  
33 (RCW 9A.88.010)  
34 Influencing Outcome of Sporting Event  
35 (RCW 9A.82.070)

1 Malicious Harassment (RCW  
2 9A.36.080)  
3 Physical Control of a Vehicle While  
4 Under the Influence (RCW  
5 46.61.504(6))  
6 Possession of Depictions of a Minor  
7 Engaged in Sexually Explicit  
8 Conduct 2 (RCW 9.68A.070(2))  
9 Residential Burglary (RCW 9A.52.025)  
10 Robbery 2 (RCW 9A.56.210)  
11 Theft of Livestock 1 (RCW 9A.56.080)  
12 Threats to Bomb (RCW 9.61.160)  
13 Trafficking in Stolen Property 1 (RCW  
14 9A.82.050)  
15 Unlawful factoring of a credit card or  
16 payment card transaction (RCW  
17 9A.56.290(4)(b))  
18 Unlawful Operation of Platform that  
19 Facilitates an Unauthorized  
20 Gambling Activity (section 1 of this  
21 act)  
22 Unlawful transaction of health coverage  
23 as a health care service contractor  
24 (RCW 48.44.016(3))  
25 Unlawful transaction of health coverage  
26 as a health maintenance  
27 organization (RCW 48.46.033(3))  
28 Unlawful transaction of insurance  
29 business (RCW 48.15.023(3))  
30 Unlicensed practice as an insurance  
31 professional (RCW 48.17.063(2))  
32 Use of Proceeds of Criminal  
33 Profiteering (RCW 9A.82.080 (1)  
34 and (2))  
35 Vehicle Prowling 2 (third or subsequent  
36 offense) (RCW 9A.52.100(3))

1 Vehicular Assault, by being under the  
2 influence of intoxicating liquor or  
3 any drug, or by the operation or  
4 driving of a vehicle in a reckless  
5 manner (RCW 46.61.522)

6 Viewing of Depictions of a Minor  
7 Engaged in Sexually Explicit  
8 Conduct 1 (RCW 9.68A.075(1))

9 Willful Failure to Return from Furlough  
10 (RCW 72.66.060)

11 III Animal Cruelty 1 (Sexual Conduct or  
12 Contact) (RCW 16.52.205(3))

13 Assault 3 (Except Assault 3 of a Peace  
14 Officer With a Projectile Stun Gun)  
15 (RCW 9A.36.031 except subsection  
16 (1)(h))

17 Assault of a Child 3 (RCW 9A.36.140)

18 Bail Jumping with class B or C Felony  
19 (RCW 9A.76.170(3)(c))

20 Burglary 2 (RCW 9A.52.030)

21 Communication with a Minor for  
22 Immoral Purposes (RCW  
23 9.68A.090)

24 Criminal Gang Intimidation (RCW  
25 9A.46.120)

26 Custodial Assault (RCW 9A.36.100)

27 Cyberstalking (subsequent conviction or  
28 threat of death) (RCW 9.61.260(3))

29 Escape 2 (RCW 9A.76.120)

30 Extortion 2 (RCW 9A.56.130)

31 Harassment (RCW 9A.46.020)

32 Intimidating a Public Servant (RCW  
33 9A.76.180)

34 Introducing Contraband 2 (RCW  
35 9A.76.150)

1 Malicious Injury to Railroad Property  
2 (RCW 81.60.070)  
3 Mortgage Fraud (RCW 19.144.080)  
4 Negligently Causing Substantial Bodily  
5 Harm By Use of a Signal  
6 Preemption Device (RCW  
7 46.37.674)  
8 Organized Retail Theft 1 (RCW  
9 9A.56.350(2))  
10 Perjury 2 (RCW 9A.72.030)  
11 Possession of Incendiary Device (RCW  
12 9.40.120)  
13 Possession of Machine Gun or Short-  
14 Barreled Shotgun or Rifle (RCW  
15 9.41.190)  
16 Promoting Prostitution 2 (RCW  
17 9A.88.080)  
18 Retail Theft with Special Circumstances  
19 1 (RCW 9A.56.360(2))  
20 Securities Act violation (RCW  
21 21.20.400)  
22 Tampering with a Witness (RCW  
23 9A.72.120)  
24 Telephone Harassment (subsequent  
25 conviction or threat of death) (RCW  
26 9.61.230(2))  
27 Theft of Livestock 2 (RCW 9A.56.083)  
28 Theft with the Intent to Resell 1 (RCW  
29 9A.56.340(2))  
30 Trafficking in Stolen Property 2 (RCW  
31 9A.82.055)  
32 Unlawful Hunting of Big Game 1 (RCW  
33 77.15.410(3)(b))  
34 Unlawful Imprisonment (RCW  
35 9A.40.040)

1 Unlawful Misbranding of Food Fish or  
2 Shellfish 1 (RCW 69.04.938(3))  
3 Unlawful possession of firearm in the  
4 second degree (RCW 9.41.040(2))  
5 Unlawful Taking of Endangered Fish or  
6 Wildlife 1 (RCW 77.15.120(3)(b))  
7 Unlawful Trafficking in Fish, Shellfish,  
8 or Wildlife 1 (RCW  
9 77.15.260(3)(b))  
10 Unlawful Use of a Nondesignated  
11 Vessel (RCW 77.15.530(4))  
12 Vehicular Assault, by the operation or  
13 driving of a vehicle with disregard  
14 for the safety of others (RCW  
15 46.61.522)  
16 Willful Failure to Return from Work  
17 Release (RCW 72.65.070)  
18 II Commercial Fishing Without a License  
19 1 (RCW 77.15.500(3)(b))  
20 Computer Trespass 1 (RCW 9A.90.040)  
21 Counterfeiting (RCW 9.16.035(3))  
22 Electronic Data Service Interference  
23 (RCW 9A.90.060)  
24 Electronic Data Tampering 1 (RCW  
25 9A.90.080)  
26 Electronic Data Theft (RCW 9A.90.100)  
27 Engaging in Fish Dealing Activity  
28 Unlicensed 1 (RCW 77.15.620(3))  
29 Escape from Community Custody  
30 (RCW 72.09.310)  
31 Failure to Register as a Sex Offender  
32 (second or subsequent offense)  
33 (RCW 9A.44.130 prior to June 10,  
34 2010, and RCW 9A.44.132)  
35 Health Care False Claims (RCW  
36 48.80.030)



1 Identity Theft 2 (RCW 9.35.020(3))  
2 Improperly Obtaining Financial  
3 Information (RCW 9.35.010)  
4 Malicious Mischief 1 (RCW 9A.48.070)  
5 Organized Retail Theft 2 (RCW  
6 9A.56.350(3))  
7 Possession of Stolen Property 1 (RCW  
8 9A.56.150)  
9 Possession of a Stolen Vehicle (RCW  
10 9A.56.068)  
11 Retail Theft with Special Circumstances  
12 2 (RCW 9A.56.360(3))  
13 Scrap Processing, Recycling, or  
14 Supplying Without a License  
15 (second or subsequent offense)  
16 (RCW 19.290.100)  
17 Theft 1 (RCW 9A.56.030)  
18 Theft of a Motor Vehicle (RCW  
19 9A.56.065)  
20 Theft of Rental, Leased, Lease-  
21 purchased, or Loaned Property  
22 (valued at five thousand dollars or  
23 more) (RCW 9A.56.096(5)(a))  
24 Theft with the Intent to Resell 2 (RCW  
25 9A.56.340(3))  
26 Trafficking in Insurance Claims (RCW  
27 48.30A.015)  
28 Unlawful factoring of a credit card or  
29 payment card transaction (RCW  
30 9A.56.290(4)(a))  
31 Unlawful Participation of Non-Indians  
32 in Indian Fishery (RCW  
33 77.15.570(2))  
34 Unlawful Practice of Law (RCW  
35 2.48.180)

1 Unlawful Purchase or Use of a License  
2 (RCW 77.15.650(3)(b))  
3 Unlawful Trafficking in Fish, Shellfish,  
4 or Wildlife 2 (RCW  
5 77.15.260(3)(a))  
6 Unlicensed Practice of a Profession or  
7 Business (RCW 18.130.190(7))  
8 Voyeurism 1 (RCW 9A.44.115)  
9 I Attempting to Elude a Pursuing Police  
10 Vehicle (RCW 46.61.024)  
11 False Verification for Welfare (RCW  
12 74.08.055)  
13 Forgery (RCW 9A.60.020)  
14 Fraudulent Creation or Revocation of a  
15 Mental Health Advance Directive  
16 (RCW 9A.60.060)  
17 Malicious Mischief 2 (RCW 9A.48.080)  
18 Mineral Trespass (RCW 78.44.330)  
19 Possession of Stolen Property 2 (RCW  
20 9A.56.160)  
21 Reckless Burning 1 (RCW 9A.48.040)  
22 Spotlighting Big Game 1 (RCW  
23 77.15.450(3)(b))  
24 Suspension of Department Privileges 1  
25 (RCW 77.15.670(3)(b))  
26 Taking Motor Vehicle Without  
27 Permission 2 (RCW 9A.56.075)  
28 Theft 2 (RCW 9A.56.040)  
29 Theft from a Vulnerable Adult 2 (RCW  
30 9A.56.400(2))  
31 Theft of Rental, Leased, Lease-  
32 purchased, or Loaned Property  
33 (valued at seven hundred fifty  
34 dollars or more but less than five  
35 thousand dollars) (RCW  
36 9A.56.096(5)(b))

1 Transaction of insurance business  
2 beyond the scope of licensure  
3 (RCW 48.17.063)  
4 Unlawful Fish and Shellfish Catch  
5 Accounting (RCW 77.15.630(3)(b))  
6 Unlawful Issuance of Checks or Drafts  
7 (RCW 9A.56.060)  
8 Unlawful Possession of Fictitious  
9 Identification (RCW 9A.56.320)  
10 Unlawful Possession of Instruments of  
11 Financial Fraud (RCW 9A.56.320)  
12 Unlawful Possession of Payment  
13 Instruments (RCW 9A.56.320)  
14 Unlawful Possession of a Personal  
15 Identification Device (RCW  
16 9A.56.320)  
17 Unlawful Production of Payment  
18 Instruments (RCW 9A.56.320)  
19 Unlawful Releasing, Planting,  
20 Possessing, or Placing Deleterious  
21 Exotic Wildlife (RCW  
22 77.15.250(2)(b))  
23 Unlawful Trafficking in Food Stamps  
24 (RCW 9.91.142)  
25 Unlawful Use of Food Stamps (RCW  
26 9.91.144)  
27 Unlawful Use of Net to Take Fish 1  
28 (RCW 77.15.580(3)(b))  
29 Unlawful Use of Prohibited Aquatic  
30 Animal Species (RCW  
31 77.15.253(3))  
32 Vehicle Prowl 1 (RCW 9A.52.095)  
33 Violating Commercial Fishing Area or  
34 Time 1 (RCW 77.15.550(3)(b))

1        NEW SECTION.    **Sec. 4.**    If any provision of this act or its  
2 application to any person or circumstance is held invalid, the  
3 remainder of the act or the application of the provision to other  
4 persons or circumstances is not affected.

--- END ---

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SENATE BILL 6266

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State of Washington                      65th Legislature                      2018 Regular Session

By Senators Ranker, Carlyle, and Keiser

Read first time 01/11/18. Referred to Committee on Labor & Commerce.

1            AN ACT Relating to loot boxes and similar types of mechanisms in  
2 online games and apps; creating a new section; and providing an  
3 expiration date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            NEW SECTION.    **Sec. 1.**    (1) The use of loot boxes and similar  
6 types of mechanisms that provide randomized virtual items in online  
7 games or apps has raised a number of serious problems and concerns,  
8 including: (a) Whether games and apps containing these mechanisms are  
9 considered gambling under Washington law; (b) whether these  
10 mechanisms belong in games and apps; (c) whether minors and other  
11 young people, who may be more vulnerable to gambling addiction,  
12 should have access to games and apps with these mechanisms; and (d)  
13 the lack of disclosure and transparency with respect to the odds of  
14 receiving each type of virtual item.

15            (2) The Washington state gambling commission must conduct a study  
16 of the use of loot boxes and similar types of mechanisms in online  
17 games or apps. In conducting the study, the Washington state gambling  
18 commission must consider and gather information related to the  
19 problems and concerns described in subsection (1) of this section,  
20 legislation and regulation from other jurisdictions, and other



1 matters the Washington state gambling commission determines are  
2 relevant.

3 (3) Not later than December 1, 2018, the Washington state  
4 gambling commission must provide the appropriate committees of the  
5 legislature written findings and provide recommendations regarding  
6 how to best regulate the practice of including loot boxes and similar  
7 types of mechanisms in online games and apps, including options for  
8 the adoption and implementation of a regulatory and enforcement  
9 system, restrictions on the sale of games containing these  
10 mechanisms, and any appropriate disclosures.

11 (4) The Washington state gambling commission must consult with  
12 stakeholders in conducting the study and in making its  
13 recommendations.

14 (5) This section expires December 1, 2019.

--- END ---



**STATE OF WASHINGTON**  
**GAMBLING COMMISSION**

**“Protect the Public by Ensuring that Gambling is Legal and Honest”**

February 1, 2018

**TO:** COMMISSIONERS:  
Bud Sizemore, Chair  
Julia Patterson, Vice Chair  
Christopher Stearns  
Ed Troyer

**FROM:** Haylee P. Mills, Staff Attorney  
Legal and Records Division

**SUBJECT: Tanesha J. Cayou, 2017-01055**  
**Final Order – February 8, 2018 Commission Meeting**

Ms. Tanesha J. Cayou has a certification authorizing Class III Employee activity at Emerald Queen Casino in Tacoma, Washington. Her certification expires on May 3, 2018.

On June 8, 2017, Ms. Cayou is alleged to have taken \$100.00 from a casino patron while the patron was at a player terminal, then fled toward and through a door. These actions were viewed on surveillance video, as well as corroborated by the patron in a written statement. Ms. Cayou was apprehended by casino security and her tribal gaming certification was revoked the same day. Ms. Cayou did not disclose the allegations or the revocation of her tribal gaming license to the Commission.

Director Trujillo issued a Notice of Administrative Charges on October 26, 2017, to Ms. Cayou by first class and certified mail to her last known address. The first class mail was returned on November 7, 2017 as “Return to Sender, Attempted-Not Know, Unable to Forward.” The certified mail was returned on November 21, 2017 as “Return to Sender, Unclaimed, Unable to Forward.” As of the date of this memo, the Commission has not received any response from Ms. Cayou.

Ms. Cayou’s failure to respond to the charges or request a hearing is a waiver of Ms. Cayou’s right to a hearing in Case No. CR 2017-01055. You may take final action against her gambling certification. Based on her conduct, Ms. Cayou cannot show by clear and convincing evidence that she is qualified to keep her gambling certification. Therefore, staff recommends that the Commission sign the proposed final order and revoke Tanesha J. Cayou’s Class III Employee certification, License Number 69-39794.



STATE OF WASHINGTON  
GAMBLING COMMISSION

**“Protect the Public by Ensuring that Gambling is Legal and Honest”**

February 1, 2018

**TO:** COMMISSIONERS:  
Bud Sizemore, Chair  
Julia Patterson, Vice Chair  
Christopher Stearns  
Ed Troyer

**FROM:** Haylee P. Mills, Staff Attorney  
Legal and Records Division

**SUBJECT: Travis L. Van Pelt, 2017-01049**  
**Final Order – February 8, 2018 Commission Meeting**

Mr. Travis L. Van Pelt has a certification authorizing Class III Employee activity at Legends Casino in Toppenish, Washington. His certification expires on July 28, 2018.

On May 10, 2017, Mr. Van Pelt was indicted on a charge of Sexual Abuse of a Minor in the U.S. District Court in the Eastern District of Washington in Case Number 1:16-CR-02039-SAB. On February 15, 2017, Mr. Van Pelt entered a plea of guilty, and on July 28, 2017, the U.S. District Court in the Eastern District of Washington entered a judgment and sentence against Mr. Van Pelt. He was found guilty of Sexual Abuse of a Minor and sentenced to 20 months of confinement and supervision of 15 years upon release from prison.

On August 2, 2017, the Yakama Nation Gaming Commission summarily suspended Mr. Van Pelt's tribal gaming license based on the above-referenced criminal conviction, and on September 25, 2017, entered a final order revoking his tribal gaming license. Mr. Van Pelt did not disclose the indictment or the above criminal allegations or conviction to the Gambling Commission, or include them on his 2016 and 2017 Class III Employee Renewal Applications.

Director Trujillo issued a Notice of Administrative Charges on November 7, 2017, to Mr. Van Pelt by first class and certified mail to his last known address. A receipt for delivery of the certified mail was received on November 21, 2017, indicating that service was completed on November 16, 2017. As of the date of this memo, the Commission has not received any response from Mr. Van Pelt.

Mr. Van Pelt's failure to respond to the charges or request a hearing is a waiver of Mr. Van Pelt's right to a hearing in Case No. CR 2017-01049. You may take final action against his gambling certification. Based on his conduct, Mr. Van Pelt cannot show by clear and convincing evidence that he is qualified to keep his gambling certification. Therefore, staff recommends that the

Default Hearing – Travis L. Van Pelt

February 8, 2018

Page 2

Commission sign the proposed final order and revoke Travis L. Van Pelt's Class III Employee certification, License Number 69-38554.



**Petition for Rule Change to**  
**WAC 230-15-135 Wagering limits for nonhouse-banked card games**

**February 2018 – Request to Initiate Rule-Making**

Tab 3: FEBRUARY 2018 Commission Meeting Agenda.	Statutory Authority 9.46.070
<b>Who Proposed the Rule Change?</b>	
Christopher Hancock, Olympia, Washington.	
<b>Describe the Petitioner’s Request</b>	
<p>Mr. Hancock submitted a petition for rule change requesting a change to the Commission’s wagering limits for nonhouse-banked card games in WAC 230-15-135. The petitioner did not submit proposed amended rule language. Instead, he requests that the following limitations be removed from the rules:</p> <ul style="list-style-type: none"> <li>• The requirement that there be no more than four wagers in any betting round (WAC 230-15-135(1)(b)); and</li> <li>• The requirement that the maximum amount of a single wager must not exceed \$40 and a single wager in Class F and house-banked licensee card games must not exceed \$300 (WAC 230-15-135(1)(c)).</li> </ul> <p>Mr. Hancock suggests that if the Commission wishes to restrict the amount of money a player can lose in a game of poker, it should simply place a restriction on the amount of money a player can buy into a poker game. Mr. Hancock suggests a maximum of 250 times the big blind as the limit for the amount of money a player can buy into a game.</p>	
<b>Background</b>	
<p>The Commission reviewed this rule in 2016 when it accepted the rule petitions from card room owners George Teeny and Teresa Malphrus. The Commission reviewed this rule from April 2016 until November 2016. The Commission then adopted a rule raising the wager limit for Class F and house-banked card room licensees from \$100 to \$300 for a single wager. This change went into effect on December 23, 2016.</p>	
<b>Licensees Impacted</b>	
<p>The proposed change would impact all Class E, F and house-banked card room licensees. As of February 1, 2018, there are 47 house-banked, 3 Class F, and 6 Class E licensed card rooms.</p>	
<b>Staff Recommendation</b>	
<p>Staff recommends denial of the petition. All Washington authorized gambling activities are limited in nature and scope by RCW 9.46.010 and have wagering limits.</p> <p>The Commission must vote on this petition within 60 days of receiving it and you have the following options under the Administrative Procedure Act:</p> <ol style="list-style-type: none"> <li>1) Initiate rule-making proceedings. Staff would then work with the petitioner and stakeholders on language to remove the above-referenced rules and bring amended rules to you to file for further discussion, which would also require a vote; or</li> </ol>	

- 2) Deny the petition in writing, stating the reasons for the denial and specifically address the concerns stated in the petition. If appropriate, the Commission must indicate alternative means by which the agency will address the concerns raised in the petition.

**RULES PETITION RECEIVED ON January 4, 2018**

Petitioner's Name: Christopher Scott Hancock

Rule Petition Type: Amend Rule – I am requesting WSGC to change an existing rule.

==Amend Rule – I am requesting WSGC to change an existing rule.==

List rule number (WAC) if known: WAC 230-15-135

I am requesting the following change:

I want to eliminate or modify sections 1(b) and 1(c) of this WAC to allow for No Limit Texas Hold'em to be properly authorized. Specifically, eliminate the restriction on the number of wagers allowed in a round of betting, and eliminate the restriction on the size of wagers.

RCW 9.46.0282 authorizes the Commission to establish limits on wagers. This change is needed because:

As the rules currently stand, section 1b and section 1c make No Limit Texas Hold'em functionally banned in the state of Washington. Rule 1c is particularly egregious. It's as if Washington mandated that basketball be played in the state on 8 foot rims instead of 10 foot rims.

No Limit Texas Hold'em is probably the most popular card game in America, and it has long been the poker game featured at the main event of the World Series of Poker. Washington is woefully and embarrassingly behind on this. States like Nevada, New Mexico, and California manage to get by with rules that allow for No Limit Texas Hold'em to be played in card rooms and casinos around their states. Yet Washington has these smothering restrictions on wager increments and the number of raises in a round of betting.

If the Commission wishes to restrict the amount of money a player can lose in a game of poker, it should simply place a restriction on the amount of money a player can buy into \*a game\* with. (I would suggest a maximum of 250 times the big blind.) The rules as they currently exist only provide the appearance of protection, and they come at the cost of destroying the ability of the card rooms and casinos of the state to host the most popular poker game in the world. This surely reduces the amount of tax revenue the state collects.

The effect of this rule change will be:

Washington residents will no longer have to travel for a proper No Limit Texas Hold'em game. Tourists to Washington will be able to play the game in the state as well.



## WAC 230-15-135

### Wagering limits for nonhouse-banked card games.

Card room licensees must not exceed these wagering limits:

(1) **Poker** -

(a) There must be no more than five betting rounds in any one game; and

(b) There must be no more than four wagers in any betting round, for example, the initial wager plus three raises; and

(c) The maximum amount of a single wager must not exceed forty dollars; however, class F and house-banked card game licensees may offer a single wager not to exceed three hundred dollars;

(2) **Games based on achieving a specific number of points** - Each point must not exceed five cents in value;

(3) **Ante** - No more than the maximum wager allowed for the first betting round for any game, except for Panguingue (Pan). The ante may, by house rule:

(a) Be made by one or more players, but the total ante may not exceed the maximum wager allowed for the first betting round; and

(b) Be used as part of a player's wager;

(4) **Panguingue (Pan)** - The maximum value of a chip must not exceed ten dollars. An ante must not exceed one chip. We prohibit doubling of conditions. Players going out may collect no more than two additional chips for going out from each participating player.

[Statutory Authority: RCW **9.46.070** and **9.46.0201**. WSR 16-23-153, § 230-15-135, filed 11/22/16, effective 12/23/16; WSR 16-18-024, § 230-15-135, filed 8/26/16, effective 9/26/16. Statutory Authority: RCW **9.46.070** and **9.46.0282**. WSR 12-21-048 (Order 680), § 230-15-135, filed 10/12/12, effective 1/1/13; WSR 09-21-013 (Order 658), § 230-15-135, filed 10/9/09, effective 11/9/09. Statutory Authority: RCW **9.46.070**. WSR 09-09-056 (Order 642), § 230-15-135, filed 4/10/09, effective 7/1/09; WSR 07-21-116 (Order 617), § 230-15-135, filed 10/22/07, effective 1/1/08; WSR 07-09-033 (Order 608), § 230-15-135, filed 4/10/07, effective 1/1/08.]



**Rule Changes / Fee Simplification (Package #3)**

New Rule: WAC 230-05-175 Individuals license fees.

**February 2018 – Up for Further Discussion**  
**January 2018 – Up for Further Discussion**  
**November 2017 – Discussion and Possible Filing**

Tab 4: FEBRUARY 2018 Commission Meeting Agenda. Statutory Authority 9.46.070

**Who Proposed the Rule Change?**

Staff

**Describe the Rule Changes**

This is third of four packages staff will bring forward to make changes to the Commission’s licensing fee structure. This third package sets the individual license fees under the new license fee structure. The key changes to individual license fees in this third package:

- Establishes the license fees for individuals. There are basically two annual license fee schedules for individuals:

License Type	New Application Fee	Renewal Fees
Class F and HBCR card room employees and all representatives	\$275 (in-state fee for CREs)	\$170
Nonhouse-banked card room employees, charitable or nonprofit gambling manager, and commercial gambling manager	\$200	\$95

- Requires all representatives to apply and pay a fee when adding or changing employers consistent with all other individual licensees. The fees are consistent with other fees for this transaction.
- Outlines in rule the card room employees required to pay “out-of-state” new application fees.

A fourth rules package includes any corrections or updates to the rules filed in packages #1, #2, or #3.

Attachment:  
Summary of Fee Changes

**Policy Considerations**

The Commissioners began considering changing the fee structure in 2014. The current fee structure was created over 40 years ago. It began with 25 fees. Today the Gambling Commission has approximately 194 different fees for Commercial and Non-Profit organizations and individuals. This fee schedule is typically based on a “class” system, which can be cumbersome for licensees and agency staff. The Gambling Commission is looking to simplify this current system to allow it to be easier to navigate and have a licensing fee schedule that is more predictable for both the agency and its licensees.

Staff Recommendation

Up for further discussion.

Staff requests an effective date of May 1, 2018, so that licensees who are renewing June 30, 2018, will pay their fees under the new system.

NEW SECTION

**WAC 230-05-175 Individual license fees.** Individuals must pay the following fees:

(1) Annual license and additional employer fees:

License Type	New Application Fee	Annual Renewal Fee	Additional or Change of Employer Fee
Call center for enhanced raffle representative	\$275	\$170	-
Card room employee license - Nonhouse-banked (Class A)	\$200	\$95	\$65
Card room employee license - Class F and house-banked (Class B)	\$275 (in-state) \$340 (out-of-state)	\$170	\$65
Charitable or nonprofit gambling manager	\$200	\$95	\$95
Commercial gambling manager	\$200	\$95	\$95
Distributor representative	\$275	\$170	\$65
Linked bingo prize provider representative	\$275	\$170	\$65
Manufacturer representative	\$275	\$170	\$65
Gambling service supplier representative	\$275	\$170	\$65

(2) Class B card room employees must pay the out-of-state application fee if over the last ten years the applicant lived outside of Washington for six nonconsecutive months or more.

(3) Other service fees:

Transaction	Fee
Change of name	\$30
Card room employee emergency waiver request	\$65
Duplicate license	\$30

(4) Military personnel returning from service. If a license expires while an individual is on active military service, the individual may apply to have their license reissued at the renewal fee. The application must be received within six months after completing their active military service. The applicant must provide evidence of the completion date of active military service.

## Summary of Fee Changes

License Type	New Application Fee	Annual Renewal Fee	Additional or Change of Employer Fee
Call center for enhanced raffle representative	\$275 <b>Decrease \$1</b>	\$170 <b>Increase \$3</b>	-
Card room employee license – Nonhouse-banked (Class A)	\$200 <b>No Change</b>	\$95 <b>No Change</b>	\$65 <b>No Change</b>
Card room employee license – Class F and house-banked (Class B)	\$275 (in-state) <b>Increase \$2</b> \$340 (out-of-state) <b>Increase \$1</b>	\$170 <b>Increase \$3</b>	\$65 <b>No Change</b>
Charitable or nonprofit gambling manager	\$200 <b>Increase \$4</b>	\$95 <b>Increase \$2</b>	\$95 <b>Increase \$2</b>
Commercial gambling manager	\$200 <b>No Change</b>	\$95 <b>No Change</b>	\$95 <b>No Change</b>
Distributor representative	\$275 <b>Decrease \$1</b>	\$170 <b>Increase \$3</b>	\$65 <b>See Note 1</b>
Linked bingo prize provider representative	\$275 <b>Decrease \$1</b>	\$170 <b>Increase \$3</b>	\$65 <b>See Note 1</b>
Manufacturer representative	\$275 <b>Decrease \$1</b>	\$170 <b>Increase \$3</b>	\$65 <b>Increase \$65;</b> <b>See Note 2</b>
Gambling service supplier representative	\$275 <b>Decrease \$1</b>	\$170 <b>Increase \$3</b>	\$65 <b>See Note 1</b>

Other service fees:

Transaction	Fee
Change of name	\$30 <b>Increase \$1</b>
Card room employee emergency waiver request	\$65 <b>No Change</b>
Duplicate license	\$30 <b>Increase \$1</b>

**NOTE 1:** Currently, distributor, linked bingo prize provider and service supplier representatives can only represent one distributor, linked bingo prize provider or service supplier at a time (WAC 230-03-330(1)). If a distributor, linked bingo prize provider or service supplier leaves their employer and goes to another employer during their license year, they have to reapply and pay the renewal fee of \$167. By adding a fee and rule language to allow these representatives to change employers, these representative will save \$102 if they change employers during their license year.

**NOTE 2:** Currently, manufacturer representatives can represent more than one manufacturer but they do not pay a fee when adding or changing employers (WAC 230-03-330(2) and (3)). The new rules will require manufacturer representatives to pay \$65 and tell us when they add or change employers during their license year.



**Rule Changes / Fee Simplification (Package #4)**

Various Rules in:

- WAC 230-05-102 – All licensed organizations report activity quarterly beginning with the July 1, 2018 through September 30, 2018 quarter.
- WAC 230-07-155 – Reporting annual activity for raffles, enhanced raffles, amusement games, Class A, B, or C bingo, or combination licenses.
- WAC 230-07-160 – Reporting annual activity for agricultural fairs.
- WAC 230-09-056 – Activity reports for fund-raising events.
- WAC 230-10-040 – Disposable bingo cards – Additional requirements.
- WAC 230-10-180 – Electronic bingo card daubers requirements.
- WAC 230-10-457 – Activity reports for linked bingo prize providers.
- WAC 230-13-169 – Annual activity reports for commercial amusement game licensees.
- Chapter 230 – 16 WAC – Manufacturer, Distributor, and Gambling Service Supplier Rules.

**February 2018 – Up for Further Discussion**

**January 2018 – Discussion and Possible Filing**

Tab 5: FEBRUARY 2018 Commission Meeting Agenda.

Statutory Authority 9.46.070

**Who Proposed the Rule Change?**

Staff

**Describe the Rule Changes**

This is the fourth and likely last rules package staff will bring forward to make changes to the Commission’s licensing fee structure. The fourth rules package:

- Clarifies that annual activity report filers will report their gambling activity for their license year through June 30, 2018 on July 30, 2018. All licensees will begin reporting their activity quarterly beginning with the July 1-September 30 quarter. These rules were included in rule package #2:
  - WAC 230-05-102 - All licensed organizations report activity quarterly beginning with the July 1, 2018 through September 30, 2018 quarter.
  - WAC 230-07-155 - Reporting annual activities for raffles, enhanced raffles, amusement games, Class A, B or C bingo, or combination licenses;
  - WAC 230-07-160 - Reporting annual activity for agricultural fairs; and
  - WAC 230-09-056 - Activity reports for fund-raising events.
  - WAC 230-10-457 – Activity reports for linked bingo prize providers.
  - WAC 230-13-169 - Annual activity reports for commercial amusement game licensees.
- Addresses I.D. Stamps:
  - I.D. stamps will only be required for punchboards/pull-tabs and
  - The Commission will provide I.D. stamps to punchboards/pull-tab manufacturers at no cost;
  - The following rules were revised:
    - WAC 230-10-040 - Disposable bingo cards - Additional requirements;
    - WAC 230-10-180 - Electronic bingo card daubers requirements;
    - WAC 230-16-160 - I.D. stamps for gambling equipment.
    - WAC 230-16-165 - Obtaining I.D. stamps;
    - WAC 230-16-175 - Placing I.D. stamps and records entry labels; and
    - WAC 230-16-180 - Records retention for I.D. stamp records.



**Policy Considerations**

The Commissioners began considering changing the fee structure in 2014. The current fee structure was created over 40 years ago. It began with 25 fees. Today the Gambling Commission has approximately 194 different fees for Commercial and Non-Profit organizations and individuals. This fee schedule is typically based on a “class” system, which can be cumbersome for licensees and agency staff. The Gambling Commission is looking to simplify this current system to allow it to be easier to navigate and have a licensing fee schedule that is more predictable for both the agency and its licensees.

**Staff Recommendation**

Staff anticipates asking for an effective date of July 1, 2018.

NEW SECTION

**WAC 230-05-102 All licensed organizations report activity quarterly beginning with the July 1, 2018, through September 30, 2018, quarter.** (1) Beginning July 1, 2018, all licensed organizations must submit activity reports quarterly, regardless of whether they previously submitted reports annually, quarterly, or semi-annually and regardless of when their permit or license year ends.

(2) This includes gambling service suppliers and any other licensed organizations that did not previously submit activity reports.

(3) Licensed organizations that report annually must submit an activity report from the beginning of their license year through June 30, 2018. These reports are due July 30, 2018.

Beginning July 1, 2018, licensed organizations that report annually will report quarterly as set forth in this section.

(4) The activity reports must be in the format we require and must:

Cover the period:	Be received by us no later than:
July 1 through September 30	October 30
October 1 through December 31	January 30
January 1 through March 31	April 30
April 1 through June 30	July 30

(5) All licensed organizations must submit quarterly license fees to us for each licensed gambling activity after the first quarter of their license year that begins on or after July 1, 2018, as set forth in WAC 230-05-124.

AMENDATORY SECTION (Amending WSR 13-19-056, filed 9/16/13, effective 10/17/13)

**WAC 230-07-155 Reporting annual activity for raffles, enhanced raffles, amusement games, Class A, B, or C bingo, or combination licenses.** (1) Raffle, enhanced raffle, amusement game, Class A, B, or C bingo, or combination licensees must submit an annual report of all their activities in the format we require.

(2) We must receive the completed report in our office postmarked no later than thirty days following the expiration of their license(s). Licensed organizations that report annually must submit an activity report from the beginning of their license year through June 30, 2018, by July 30, 2018. These reports are due July 30, 2018.

Beginning July 1, 2018, reports required by this section must be submitted quarterly, as set forth in WAC 230-05-102.

(3) The highest ranking officer or his/her designee must sign the report.

(4) If the licensee has someone else prepare the report, then the preparer must include his/her name and phone number on the report.

(5) Licensees that operate retail sales activities in conjunction with bingo games must report the net income from those retail sales activities.

AMENDATORY SECTION (Amending WSR 07-10-032, filed 4/24/07, effective 1/1/08)

**WAC 230-07-160 Reporting annual activity for agricultural fairs.**

(1) Charitable or nonprofit licensees who operate bingo, raffles, and/or amusement games only at agricultural fairs and other special properties and permittees as defined in WAC 230-03-015 who operate bingo under another's license at agricultural fairs and other special properties must submit an annual report of all their activities in the format we require.

(2) We must receive the completed report in our office postmarked no later than thirty days following the expiration of the license year. Licensed organizations that report annually must submit an activity report from the beginning of their license year through June 30, 2018, by July 30, 2018. These reports are due July 30, 2018.

Beginning July 1, 2018, reports required by this section must be submitted quarterly, as set forth in WAC 230-05-102.

(3) Permittees operating under another's license must provide the licensee with all information about the permitted operation that is needed by the licensee to complete the annual activity report not less than ten days before the time that we require the licensee to file his or her report.

(4) The highest ranking officer or his or her designee must sign the report. If the licensee has someone else prepare the report, then the preparer must include his or her name and phone number on the report.

AMENDATORY SECTION (Amending WSR 07-21-116, filed 10/22/07, effective 1/1/08)

**WAC 230-09-056 Activity reports for fund-raising events.** Fund-raising event licensees must submit an activity report to the commission concerning the operation of the licensed activities of each event. Licensees must complete the report in the format we require and the report must be:

(1) Received at our administrative office or postmarked no later than thirty days after the end of the authorized operating day or days(~~and~~). Licensed organizations that report annually must submit an activity report from the beginning of their license year through June 30, 2018, by July 30, 2018. These reports are due July 30, 2018.

Beginning July 1, 2018, reports required by this section must be submitted quarterly, as set forth in WAC 230-05-102.

(2) Signed by the licensee's highest ranking executive officer or designee. If someone other than the licensee or an employee prepares the report, the preparer must print his or her name and phone number on the report.

AMENDATORY SECTION (Amending WSR 07-10-033, filed 4/24/07, effective 1/1/08)

**WAC 230-10-040 Disposable bingo cards—Additional requirements.**

- (1) Disposable bingo cards must:
- (a) Meet all bingo card requirements; and
  - (b) Be imprinted with a unique set and configuration of numbers on each card; and
  - (c) Not duplicate cards within a specific product line; and
  - (d) Include a control system in each set which:
    - (i) Identifies that specific set and each specific card within that set; and
    - (ii) Allows tracking of the transfer of cards from the point of manufacture to the operator; and
    - (iii) Facilitates sale by the operator to the player(~~;~~ and
  - ~~(e) Have an identification and inspection stamp from us sold to the licensed manufacturer or to the operator and attached to the series by the licensed manufacturer, the operator, or us).~~
- (2) Bingo licensees using the combination receipting method may divide sets or collations of cards into no more than ten subgroups. Licensees must follow disposable bingo card inventory control requirements for each subgroup.

AMENDATORY SECTION (Amending WSR 07-21-116, filed 10/22/07, effective 1/1/08)

**WAC 230-10-180 Electronic bingo card daubers requirements. (1)**

- Electronic bingo card daubers must:
- (a) Be manufactured by licensed manufacturers; and
  - (b) Be sold, leased, and serviced by licensed distributors or manufacturers. Operators may perform routine maintenance; and
  - ~~(c) ((Have an I.D. stamp from us that was sold to the licensed manufacturer or the operator and attached by the licensed manufacturer, the operator, or us; and~~
  - ~~(d))~~ Be unable to modify the computer program which operates the dauber units or the electronic database which stores the bingo cards; and
  - ~~((e))~~ (d) Store preprinted bingo cards a player purchases. The electronic images of cards stored in daubers are for player convenience only and are not bingo cards for purposes of this title; and
  - ~~((f))~~ (e) Use cards that meet all requirements of bingo cards and electronic bingo cards; and
  - ~~((g))~~ (f) Allow players to input the numbers called; and
  - ~~((h))~~ (g) Compare input numbers to bingo cards stored in an electronic database; and
  - ~~((i))~~ (h) Identify to the player those stored bingo cards that contain the input numbers.
- (2) Operators providing electronic daubers must have the cards printed, placed in a master index, and available for on-site inspection at the request of law enforcement agencies, customers, or us.

**WAC 230-10-457 Activity reports for linked bingo prize providers.** Linked bingo prize providers must submit activity reports to us twice a year for their sales and services. The activity reports must be in the format we require and must:

(1) Cover the periods:

(a) January 1 through June 30; and

(b) July 1 through December 31; and

(2) Be received at our administrative office or postmarked no later than thirty days following the end of the reporting period. Licensed organizations that report annually must submit an activity report from the beginning of their license year through June 30, 2018, by July 30, 2018. These reports are due July 30, 2018.

Beginning July 1, 2018, reports required by this section must be submitted quarterly, as set forth in WAC 230-05-102; and

(3) Be signed by the licensee's highest ranking executive officer or a designee. If someone other than the licensee or an employee prepares the report, the preparer must print his or her name and business telephone number on the report; and

(4) Submit a report for any period of time their license was valid, even if they had no activity or did not renew.

**WAC 230-13-169 Annual activity reports for commercial amusement game licensees.** Commercial amusement game licensees must submit an annual activity report to us in the format we require and must:

- (1) Cover the license year of one calendar year or less; and
- (2) Be received at our administrative office or postmarked no later than thirty days following the end of the reporting period. Licensed organizations that report annually must submit an activity report from the beginning of their license year through June 30, 2018, by July 30, 2018. These reports are due July 30, 2018.

Beginning July 1, 2018, reports required by this section must be submitted quarterly, as set forth in WAC 230-05-102; and

- (3) Be signed by the licensee's highest ranking executive officer or a designee. If someone other than the commercial amusement game licensee or its employee prepares the report, then it must provide the preparer's name and business telephone number; and

(4) Submit a report for any period of time their license was valid, even if they had no activity or did not renew their license; and

(5) Complete the report according to the instructions furnished with the report.



## Chapter 230-16 WAC

### MANUFACTURER, DISTRIBUTOR, AND GAMBLING SERVICE SUPPLIER RULES

Last Update: 7/22/14

#### WAC

#### GENERAL RULES FOR MANUFACTURERS, DISTRIBUTORS, AND GAMBLING SERVICE SUPPLIERS

- 230-16-001 Manufacturers, distributors, and gambling service suppliers must ensure representatives are licensed.
- 230-16-005 Transporting, displaying, and selling gambling equipment at trade shows and conventions.

#### PUNCH BOARD AND PULL-TAB REQUIREMENTS

- 230-16-010 Manufacturers, distributors, and gambling service suppliers must comply with punch board and pull-tab rules.
- 230-16-015 Punch board and pull-tab sales restrictions.
- 230-16-020 Sales to Indian tribes.
- 230-16-025 Punch board construction.
- 230-16-030 Step up punch board construction.
- 230-16-035 Pull-tab construction.
- 230-16-040 Winner protection and secondary verification codes.
- 230-16-045 Defective punch boards, pull-tabs, or pull-tab dispensers.
- 230-16-050 Punch board and pull-tab quality control program.
- 230-16-052 Standards for flares.

230-16-055 Bonus or step up flares.

230-16-060 Assembly and packaging of pull-tab series.

PROGRESSIVE JACKPOT PULL-TAB SERIES

230-16-065 Approvals needed before offering progressive jackpot pull-tab series.

230-16-070 Prizes in progressive jackpot pull-tab series.

230-16-075 Assembly and packaging of progressive pull-tab series.

EVENT PULL-TAB SERIES

230-16-080 Event pull-tab series.

BONUS PULL-TAB SERIES

230-16-085 Bonus pull-tab series with carry-over jackpots.

CARRY-OVER JACKPOTS

230-16-090 Secondary win codes for carry-over jackpots.

230-16-095 Prizes in carry-over jackpot pull-tab series.

SEAL CARD PULL-TAB SERIES

230-16-100 Seal card pull-tab series.

230-16-102 Cumulative prize pool pull-tab games.

230-16-104 Cumulative prize pool pull-tab series flare.

BINGO CARDS

230-16-105 Disposable bingo cards.

230-16-110 Duplicate bingo cards.

230-16-120 Bingo card manufacturing control system.

- 230-16-125 Disposable bingo card packing slip and package label.
- 230-16-130 Disposable bingo card sales.
- 230-16-135 "Player selection" bingo cards.
- 230-16-140 "Hidden face" bingo cards.
- 230-16-145 Electronically generated bingo card computer systems.
- 230-16-150 Control system for electronically generated bingo cards.

GAMBLING EQUIPMENT

- 230-16-151 Gambling equipment connecting to external tools for standard maintenance.

ELECTRONIC CARD FACSIMILES

- 230-16-155 Electronic card facsimiles.

I.D. STAMPS

- 230-16-160 I.D. stamps for gambling equipment.
- 230-16-165 ~~Obtaining~~Purchasing I.D. stamps.
- 230-16-170 I.D. stamps must be visible.
- 230-16-175 Placing I.D. stamps and records entry labels.
- 230-16-180 Record retention for I.D. stamp records.

RECORDKEEPING

- 230-16-185 Accounting records for manufacturers and distributors.
- 230-16-187 Accounting records for manufacturer's special sales permit holders.
- 230-16-190 Sales invoices for manufacturers and distributors.
- 230-16-195 Additional requirements for sales invoices.

230-16-200 Sales journals for manufacturers and distributors.

230-16-205 Record retention for manufacturers and distributors.

230-16-210 Alternative formats for recordkeeping.

230-16-215 Accounting records and record retention for gambling service suppliers.

230-16-220 Activity reports by manufacturers and distributors.

AMENDATORY SECTION (Amending WSR 07-19-069, filed 9/17/07, effective 1/1/08)

**WAC 230-16-160 I.D. stamps for gambling equipment.** (~~((1))~~ If gambling equipment requires our approval, manufacturers and distributors must not attach I.D. stamps to the equipment until we approve it. ~~((2))~~) Manufacturers must permanently and prominently attach our I.D. stamps to their gambling equipment. Once attached, no one may remove or tamper with the I.D. stamps. Manufacturers must attach I.D. stamps to:

- ~~((a))~~ (1) Punch boards; and
- ~~((b))~~ (2) Pull-tab flares; and
- ~~(c)~~ Pull tab dispensers; and
- ~~(d)~~ Disposable bingo card packing slips; and
- ~~(e)~~ Coin or token activated amusement games operated at locations with a Class A license; and
- ~~(f)~~ Electronic bingo card daubers; and
- ~~(g)~~ Electronic card facsimile tables; and
- ~~(h)~~ Other items specified by the director).

AMENDATORY SECTION (Amending WSR 07-19-069, filed 9/17/07, effective 1/1/08)

**WAC 230-16-165 ((Purchasing)) Obtaining I.D. stamps.** (1) Manufacturers must ~~((purchase))~~ obtain I.D. stamps from us and attach them to the equipment specified in this chapter.

(2) Any manufacturer may return damaged stamps to us with a detailed listing of the damaged stamps ~~((and must pay a service charge))~~. We will then replace the I.D. stamps.

~~((3))~~ Owners of gambling equipment which require annual I.D. stamps must purchase I.D. stamps from us and attach them to their gambling equipment. Annual I.D. stamps expire on December 31 each year, even if the equipment was placed out for play mid year.

~~(4)~~ Owners of pull tab dispensers must purchase I.D. stamps to replace worn I.D. stamps on pull tab dispensers. The owner must send us:

- ~~(a)~~ A copy of the invoice for the purchase of the dispenser from the manufacturer, distributor, or operator; or
- ~~(b)~~ A complete description of the pull tab dispenser, serial number, manufacturer, and the previous I.D. stamp number, if known.)

AMENDATORY SECTION (Amending WSR 07-19-069, filed 9/17/07, effective 1/1/08)

**WAC 230-16-175 Placing I.D. stamps and records entry labels.** (~~((1))~~) Manufacturers must attach I.D. stamps and records entry labels to approved gambling equipment in the following way:

~~((a))~~ (1) **Punch boards** - On the reverse side of the board in an area that will not obstruct removal of punches. If sufficient space is not available on the reverse side, licensees may wrap the records en-

try labels around or partially attach them to the edge of the punch board as long as this does not obstruct display of prizes available or other information we require.

~~((b))~~ **(2) Pull tabs** - On the face or reverse side of the flare. If placed on the face, the I.D. stamps and records entry labels must not obstruct prizes available or other information we require.

~~((c))~~ **Disposable bingo cards** - On the packing label on the outside of the shipping carton. Manufacturers must attach records entry labels to the packing slip. When they pack a set or collation of cards in more than one shipping container, manufacturers may attach the I.D. stamp to the first container and print the I.D. stamp number on all remaining shipping containers.

~~(2)~~ **Electronic pull-tab dispensers, electronic bingo card daubers, and electronic facsimile card tables** - Manufacturers or owners must attach I.D. stamps on the outside of the main body, in an area that is not normally removed and replaced, and in a way that does not obstruct the view of the pull tabs available for play, the bingo cards, or the card facsimiles.

~~(3)~~ **Electromechanical and mechanical pull-tab dispensers** - Manufacturers or owners must attach I.D. stamps on the outside of the main body, in an area that is not normally removed and replaced, and in a way that does not obstruct the view of the pull tabs available for play or the card facsimiles. Licensees may discard records entry labels.

~~(4)~~ **Amusement games** - Owners must attach I.D. stamps on the outside of the main body, in an area that is not normally removed and replaced, and in a way that does not obstruct the view of the amusement game prizes.)

AMENDATORY SECTION (Amending WSR 07-19-069, filed 9/17/07, effective 1/1/08)

**WAC 230-16-180 Record retention for I.D. stamp records.** Manufacturers must keep records that provide an accountability trail for all I.D. stamps ((purchased)).

(1) For I.D. stamps attached to gambling equipment and sold, manufacturers must keep the I.D. stamps records for at least three years and include, at least:

- (a) The name of the purchaser;
- (b) The date of the sale; and
- (c) The invoice number recording the sale.

(2) For all unused or damaged I.D. stamps, manufacturers must indefinitely retain the I.D. stamps or provide records that include enough detail to allow us to account for all I.D. stamps.