



STATE OF WASHINGTON

GAMBLING COMMISSION

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

The Heathman Lodge, 7801 NE Greenwood Drive Vancouver, WA 98662

Thursday, May 9, 2019

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

Commissioners may take action on business items.

Administrative Procedures Act Proceedings are identified by an asterisk (*)

PUBLIC MEETING	
9:30 AM	Executive Session - Closed to the Public <i>Bud Sizemore, Chair</i> Discuss Pending Criminal Investigations, Tribal Negotiations, and Litigation Public meeting is expected to begin at 1:30 PM
1:30	Call to Order <i>Bud Sizemore, Chair</i> Welcome and Introductions <ul style="list-style-type: none"> • <i>Moment of Silence</i> Consent Agenda (Action) <ul style="list-style-type: none"> • Minutes – April 11, 2019 • New Licenses and Class III Employees* Class III Employees/Snoqualmie & Cowlitz Tribes* (Action) Election of Officers (Action) <ul style="list-style-type: none"> • Chair • Vice Chair Director’s Report <i>David Trujillo, Director</i>
Tab 2	*Budget Discussion (Action) <ul style="list-style-type: none"> • 2020 Fiscal Year Budget <i>Christopher Stanley, Chief Financial Officer</i>
Tab 3	RULES UP FOR DISCUSSION AND POSSIBLE FILING (Action) *Petition for Poker “no limits” <i>Brian Considine, Legal and Legislative Manager</i> <i>Ashlie Laydon, Rules Coordinator</i>
Tab 4	RULES UP FOR DISCUSSION AND POSSIBLE FILING (Action) *Service Supplier/Distributor License Rules <i>Brian Considine, Legal and Legislative Manager</i> <i>Ashlie Laydon, Rules Coordinator</i>
Tab 5	RULES UP FOR DISCUSSION AND POSSIBLE FILING (Action) *Card Shuffler Cellular Network Rules <i>Brian Considine, Legal and Legislative Manager</i> <i>Ashlie Laydon, Rules Coordinator</i>
Tab 6	RULES UP FOR FINAL ACTION (Action) *Trade Show Rules <i>Brian Considine, Legal and Legislative Manager</i>

	<i>Ashlie Laydon, Rules Coordinator</i>
Tab 7	*Defaults (Action) <ul style="list-style-type: none"> • Vincent Johnson, Public Card Room Employee License Revocation • Panya Praseuth, Public Card Room Employee License Revocation • Marcus Shin, Class III Employee License Revocation <p style="text-align: right;"><i>Brian Considine, Legal and Legislative Manager</i></p>
Tab 8	Legislative Wrap Up <p style="text-align: right;"><i>Brian Considine, Legal and Legislative Manager</i></p>
Adjourn	Public Comment Meeting Adjourn

Friday, May 10, 2019

The Heathman Lodge, 7801 NE Greenwood Drive Vancouver, WA 98662

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

Commissioners may take action on business items.

Administrative Procedures Act Proceedings are identified by an asterisk (*)

PUBLIC MEETING	
Reconvene 9:00 AM	Call to Order <i>Bud Sizemore, Chair</i> Welcome Back
Tab 9	Sports Gambling Discussion <p style="text-align: right;"><i>Brian Considine, Legal and Legislative Manager</i></p>
Adjourn	Public Comment Meeting Adjourn
	<i>Commission may use this time for any Thursday agenda items that did not get covered.</i>

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 Ashlie Laydon, Rules Coordinator (360) 486-3473.

Please silence your cell phones for the public meeting



STATE OF WASHINGTON
GAMBLING COMMISSION

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

April Gambling Commission Meeting Minutes

Great Wolf Lodge

20500 Old Highway 99 SW Centralia, WA 98531

Public Meeting

April 11, 2019

Commissioners Present:

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

Ex Officio Members Present:

Staff Present:

David Trujillo, Executive Director; Tina Griffin, Assistant Director; Christopher Stanley, Chief Financial Officer; Brian Considine, Legal and Legislative Manager; Julie Lies, Tribal Liaison; Heather Songer, Public Information Officer; Julie Anderson, Executive Assistant; and Suzanne Becker, Assistant Attorney General.

Public Meeting Call to Order

Chair Bud Sizemore called the Gambling Commission meeting to order at 10:00 a.m. He announced that the commissioners would be going into executive session and that the estimated time for the public meeting to start was 1:00 p.m. In executive session, the commissioners discussed litigation, pending criminal investigations and tribal negotiations.

At 1:06 p.m., **Chair Sizemore** welcomed everyone to the Great Wolf Lodge. He announced that he will be attending Behind the Badge Foundation's Law Enforcement Memorial Ball. Behind the Badge represents families and helps them to navigate through a line of duty death within the law enforcement community. He asked for a moment of silence to recognize law enforcement officers across the country and in this state who were lost in the line of duty since we last met.

There were 12 people in attendance.

Tab 1

Commissioner Patterson moved to approve the consent agenda as presented by staff.

Commissioner Stearns seconded the motion.

The motion was passed 5:0

Commissioner Patterson moved to approve the Cowlitz and Snoqualmie license as presented by staff.

Commissioner Levy seconded the motion.

The motion was passed 4:0

Commissioner Stearns abstained from the vote.

Director's Report

Director Trujillo gave a brief update on the agency move. He also announced that staff has provided Numerica Credit Union with a raffle license. He reported that he attended the Washington Indian Gaming Association meeting with Tribal Liaison Julie Lies. He also reminded commissioners and staff that with the 2019 legislative session coming to a close, some media outlets may be reaching out for comment. He asked that all media calls and inquiries be referred to Public Information Officer Heather Songer. **Chair Sizemore** seconded the request.

Presentations by Commissioner Chris Stearns

Commissioner Stearns reported that he recently attended the ICE London and National Indian Gaming Association conferences. He shared what he learned as an attendee, and as a moderator for panels on sports betting and social gaming.

Tab 2

Administrative Procedures Act Refresher

Assistant Attorney General Suzanne Becker presented a refresher course of the Administrative Procedures Act for the commissioners. The presentation included rulemaking and adjudication procedures established in the Administrative Procedures Act.

Tab 3

Defaults

Legal and Legislative Manager (LLM) Brian Considine presented the material for this tab.

Kim Hue T. Mai, public card room employee license revocation. Commissioners voted unanimously to revoke Ms. Mai's public card room employee license for her role in a money laundering and loan sharking operation last year at Macau Casino in Tukwila.

Chair Sizemore asked if Ms. Kim Hue T. Mai was in the audience. She was not.

Commissioner Patterson moved to revoke the public card room employee license as presented by staff.

Commissioner Stearns seconded the motion.

The motion passed unanimously. 5:0

David L. Terry, public card room employee license revocation. Commissioners voted unanimously to revoke Mr. Terry's public card room employee license for charges against him while he was working as a dealer in Moses Lake.

Chair Sizemore asked if Mr. David L. Terry was in the audience. He was not.

Commissioner Stearns moved to revoke the public card room employee license as presented by staff.

Commissioner Levy seconded the motion.

The motion passed unanimously. 5:0

Tab 4

2020 Supplemental Budget Request Presentation

Chief Financial Officer Christopher Stanley (CFO Stanley) presented the material for this tab. CFO Stanley provided budget information and asked commissioners to start thinking about their priorities for 2020 so that we can work on our 2020 supplemental budget requests. Commissioners thanked CFO Stanley for his work and did not have any comments or questions at this time.

Tab 5

Legislative Update

LLM Considine presented the materials for this tab. He spoke about the self-exclusion bill (SHB1302). He provided a briefing on the problem gambling task force bill (ESHB1880). He also spoke about the animal fighting/abuse bill (HB1919) that passed in the Senate. The amended bill will go back to the House for a vote. LLM Considine said that all sports betting bills are dead.

Chair Sizemore asked for public comment. **Dolores A. Chiechi**, from Recreational Gaming Association (RGA) addressed the commissioners. Ms. Chiechi said, “Commissioner Stearns, I appreciate your concern about the 1% increase that potentially could be part of the final midnight hour behind closed doors negotiations, it is to the card rooms, the Bingos that are over 50000 and Pull Tab Operators so I implore you to take a look at that as you build your budget going forward you can consider that there will be fewer licensees going forward”. She reminded the commissioners that another card room closed in Woodland and that RGA expects a second one to close, which is under the same ownership. Ms. Chiechi also stated, “House Bill 1880, which is the task force that was amended in the committee. It includes a number of amendments that became a striker and one of those amendments will allow all 29 tribes to have a representative on the task force.” She said that it's unclear as to who will choose the participants of the task force.

Commissioner Stearns thanked staff for all their hard work on the hill this legislative session.

Other Business/General Discussion/Public Comment

Chair Sizemore thanked everyone for attending the meeting and announced that the next meeting will be at the Heathman Lodge in Vancouver on May 9-10. Contact Julie Anderson for information regarding travel or hotel reservations.

Meeting adjourned at 2:45 p.m.



COMMISSION APPROVAL LIST
(New Licenses & Class III Gaming Employees)
May 2019

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Based upon the licensing investigations, staff recommends approving all new Licenses and Class III employees listed on pages 1 to 16.

ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

NEW APPLICATIONS**RAFFLE**

ALL SAINTS CATHOLIC CHURCH 00-00758 02-00911	204 6TH AVE SW PUYALLUP WA 98371-5880
AMERICA FOR VETERANS FOUNDATION 00-24405 02-21026	712 NE 130TH ST. VANCOUVER WA 98685
AMERICAN LEBANESE SYRIAN ASSOCIATED CHARITIES IN 00-24350 02-20985	115 BELL ST SEATTLE WA 98121
BLUE SKIES FOR CHILDREN 00-19497 02-20987	2505 CEDARWOOD AVE BELLINGHAM WA 98225
CENTERFORCE 00-24403 02-21024	5204 SOLBERG DR SW LAKEWOOD WA 98499
CHERRY VALLEY PTA KING COUNTY 2.16.10 00-24376 02-21012	PO BOX 1412 DUVALL WA 98019
CITY YEAR INC 00-24394 02-21019	2203 23RD AVE S SEATTLE WA 98144
EASTON MEMORIAL DAY CELEBRATION COMMITTEE 00-24409 02-21029	121 SUN ISLAND DR EASTON WA 98925
EVERGREEN MOUNTAIN BIKE ALLIANCE 00-24367 02-21007	438 NE 72ND ST SEATTLE WA 98115
JOHN HAY PUBLIC SCHOOL FNDN 00-21559 02-08867	201 GARFIELD ST SEATTLE WA 98109
KING'S WAY CHRISTIAN SCH/1ST CHR OF GOD 00-21494 02-08845	3300 NE 78TH ST VANCOUVER WA 98665-0656
LATIGO & LACE EQUESTRIAN DRILL TEAM 00-23461 02-09568	3612 NE 44TH STREET VANCOUVER WA 98661
NATIONAL MULTIPLE SCLEROSIS SOCIETY, GREATER NOR 00-24354 02-20995	192 NICKERSON, SUITE 100 SEATTLE WA 98109
NUMERICA CREDIT UNION 00-23823 02-20799	14610 E SPRAGUE AVE SPOKANE VALLEY WA 99216
PASADO'S SAFE HAVEN 00-19434 02-08391	PO BOX 171 SULTAN WA 98294

ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

NEW APPLICATIONS**RAFFLE**

PROVAIL

00-24418 02-21034

12550 AURORA AVE N

SEATTLE WA 98133

ROTARY CLUB OF CLOVER PARK

00-19686 02-08451

11006 BRIDGEPORT WAY SW

PACIFIC WA 98499

SAMARITAN HEALTHCARE FOUNDATION

00-24371 02-21010

801 E WHEELER RD

MOSES LAKE WA 98837

WAT PALAO WOODLAND

00-24385 02-21016

7421 SE ELDORADO ST

MILWAUKIE OR 97267

PUNCHBOARD/PULL-TAB COMMERCIAL STIMULANT

BIG FOOT INN/LOUNGE

00-10477 05-05252

105 PENDLETON WAY

WASHOUGAL WA 98671

GOLDEN WEST BAR & GRILL

00-24384 05-21596

5228 S TACOMA WAY

TACOMA WA 98409

HUB

00-10382 05-05198

110 S TOWER AVE

CENTRALIA WA 98531

HUNTINGTON'S

00-18269 05-09942

95 MAIN ST

KLICKITAT WA 98628

OLDE 99 PUB

00-24388 05-21599

7305 AURORA AVEN

SEATTLE WA 98103

SPIKES RESTAURANT GROUP

00-24340 05-21592

718 E FRANCIS AVE

SPOKANE WA 99208

UNDERDOGS

00-23210 05-21265

14913 E TRENT

SPOKANE VALLEY WA 99216

WOODY'S BIG SKY

00-21166 05-20510

5510 N MARKET ST

SPOKANE WA 99217

FRE EQUIP DISTRIBUTOR - PROFIT

GLEASON ENTERTAINMENT

00-24378 28-00042

30620 15TH PL SW

FEDERAL WAY WA 98023

DATE: 04/15/2019

Page 3 of 16

ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

NEW APPLICATIONS

CARD GAME NON HOUSE-BANKED

SENIOR CITIZENS CENTER/COULEE CITY
00-06023 60-00212

520 W DOUGLAS ST
COULEE CITY WA 99115

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

DISTRIBUTOR REPRESENTATIVE

ESTRADA, ALEJANDRO A
22-01274

JCM GLOBAL
LAS VEGAS NV 89119-3728

MANUFACTURER REPRESENTATIVE

GUERRA MUNIZ, MIGUEL
23-02932

TCS JOHN HUXLEY AMERICA INC
LAS VEGAS NV 89120

HOLLOWAY, MICHAEL S
23-00730

BALLY TECHNOLOGIES
LAS VEGAS NV 89119

HUSSEIN, MUSTAFA S
23-02930

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

WORTHY, STEVEN J
23-02931

EVERI GAMES INC.
AUSTIN TX 78746

NON-PROFIT GAMBLING MANAGER

FISHER, SUSAN K
61-04697

SENIOR CENTER/STILLAGUAMISH
ARLINGTON WA 98223

HANSEN, GARY W
61-04470

ROCKY MOUNTAIN ELK FOUNDATION
BILLINGS MT 59106

HANSEN, ROBERT E
61-04619

BPOE 01082
HOQUIAM WA 98550

MANCAO, THERESA A
61-04634

SPOKANE YOUTH SPORTS ASSN
SPOKANE WA 99201

TRUJILLO, NANCY
61-04698

FOE 00483
PORT ANGELES WA 98362-9095

UTTECH, MARNE J
61-04696

FOE 03144
VASHON WA 98070

SERVICE SUPPLIER REPRESENTATIVE

DEL ROSARIO, CLAIRE ANN L
63-00856

WG-AIRWAY HEIGHTS LLC
LAS VEGAS NV 89119

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

SERVICE SUPPLIER REPRESENTATIVE

GATTILIA, RICO B JR
63-00858

SALISHAN-MOHEGAN LLC
VANCOUVER WA 98660

HARTWIG, MICHAEL R
63-00857

WG-AIRWAY HEIGHTS LLC
LAS VEGAS NV 89119

CARD ROOM EMPLOYEE

APTHORP, MELANIE E
68-35232

B

CHIPS CASINO/LAKEWOOD
LAKEWOOD WA 98499

BAH, EBOU
68-32935

B

GOLDIE'S SHORELINE CASINO
SHORELINE WA 98133

BEUTEL, MARY A
68-35186

B

WILD GOOSE CASINO
ELLENSBURG WA 98926

BOYLE, JUDIMAR A
68-35244

B

CRAZY MOOSE CASINO II/MOUNTLAK
MOUNTLAKE TERRACE WA 9804

CHAP, ALYSSA T
68-35253

B

FORTUNE POKER
RENTON WA 98057

CHAPDELAINE, JEFFREY D
68-33850

B

CHIPS CASINO/LAKEWOOD
LAKEWOOD WA 98499

CHUON, CHUOM
68-05611

B

GREAT AMERICAN CASINO/TUKWILA
TUKWILA WA 98168

COLE, CYNTHIA R
68-35227

B

EMERALD DOWNS
AUBURN WA 98001

CONRAD, CANDY M
68-35240

B

LAST FRONTIER
LA CENTER WA 98629-0000

DEBRUM, FRANKLIN JR
68-35245

B

MACAU CASINO
TUKWILA WA 98188-2437

DOUGLASS, CHARLES N
68-14676

B

FORTUNE CASINO - RENTON
RENTON WA 98055

FIGUEROA, LUIS D
68-35225

B

CLUB HOLLYWOOD CASINO
SHORELINE WA 98133

GALOIA, ZANE I
68-35234

B

RIVERSIDE CASINO
TUKWILA WA 98168

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

CARD ROOM EMPLOYEE

GIPSON, ELIZABETH A 68-33989	B	GREAT AMERICAN CASINO/EVERETT EVERETT WA 98204
GOODWIN, DIXIE L 68-35236	B	ROYAL CASINO EVERETT WA 98204
GUFFEY, NATHAN L 68-35243	B	ZEPPOZ PULLMAN WA 99163
HERNANDEZ, ERICA Y 68-35250	B	IRON HORSE CASINO AUBURN WA 98002
HOLVEN, MELISSA R 68-20052	B	LILAC LANES & CASINO SPOKANE WA 99208-7393
HOUGHTON, JUSTIN A 68-35252	B	ROYAL CASINO EVERETT WA 98204
KELLY, IKAIKA L 68-31551	B	GOLDIE'S SHORELINE CASINO SHORELINE WA 98133
KHIEV, CHANTHUNA 68-35246	B	PALACE CASINO LAKEWOOD LAKEWOOD WA 98499-8434
KOVACS, CHARLES F 68-14456	B	GOLDIE'S SHORELINE CASINO SHORELINE WA 98133
LIANG, XIAO H 68-30525	B	RIVERSIDE CASINO TUKWILA WA 98168
MARTINEZ, BRENNAN J 68-35228	B	BUZZ INN STEAKHOUSE/EAST WENAT EAST WENATCHEE WA 98802
MAU, COLLIN J 68-32348	B	GOLDIE'S SHORELINE CASINO SHORELINE WA 98133
MCINTIRE, BAILEY F 68-35251	B	SLO PITCH PUB & EATERY BELLINGHAM WA 98225
METCALF, WILLIAM K 68-30499	B	CRAZY MOOSE CASINO II/MOUNTLAK MOUNTLAKE TERRACE WA 9804
MURPHY, DARRELL E JR 68-35223	B	MACAU CASINO TUKWILA WA 98188-2437
NGUYEN, JESSIE T 68-33267	B	ROXY'S BAR & GRILL SEATTLE WA 98126

PERSON'S NAME

EMPLOYER'S NAME

LICENSE NUMBER

PREMISES LOCATION

NEW APPLICATIONS**CARD ROOM EMPLOYEE**

NGUYEN, THAI D 68-32822	B	BUZZ INN STEAKHOUSE/EAST WENAT EAST WENATCHEE WA 98802
PRUITT, JAVORRY K 68-35224	B	COYOTE BOB'S CASINO KENNEWICK WA 99336
ROS, MELANY 68-29398	B	MACAU CASINO TUKWILA WA 98188-2437
SCHLODERER, JOHN R 68-35230	B	JOKER'S CASINO SPORTS BAR & FIEST RICHLAND WA 99352-4122
SEPULVEDA ANGULO, JOSE R 68-35221	B	BUZZ INN STEAKHOUSE/EAST WENAT EAST WENATCHEE WA 98802
SIN, STEVEN R 68-33391	B	GREAT AMERICAN CASINO/LAKEWOO LAKEWOOD WA 98499
SINCLAIR, AARON M 68-35255	B	THE PALACE LA CENTER WA 98629
STRAND, JON P 68-04572	B	GOLDIE'S SHORELINE CASINO SHORELINE WA 98133
TALICH, DENNIS E 68-35237	B	THE GETAWAY CASINO WALLA WALLA WA 99362
THOMPSON, KEVIN M 68-35226	B	THE PALACE LA CENTER WA 98629
TRAN, PHUNG S 68-22697	B	RED DRAGON CASINO MOUNTLAKE TERRACE WA 9804
VALDEZ-ARMIJO, GAVIN M 68-35231	B	COYOTE BOB'S CASINO KENNEWICK WA 99336
VERZOSA, ARTHUR 68-25544	B	ALL STAR CASINO SILVERDALE WA 98383
VIZENA, MICHAEL A 68-20921	B	GOLDIE'S SHORELINE CASINO SHORELINE WA 98133
WELLS, SAWYER D 68-35235	B	GOLDIE'S SHORELINE CASINO SHORELINE WA 98133
YORK, TYLER M 68-35229	B	CASINO CARIBBEAN YAKIMA WA 98901

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

CARD ROOM EMPLOYEE

YOUNG, ALISSA C
68-35247

B

SLO PITCH PUB & EATERY
BELLINGHAM WA 98225

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

CHEHALIS CONFEDERATED TRIBES

BAKER, RUSSELL L
69-16999

BOYER, SHEILA A
69-46555

BURTON, TAYLOR J
69-46558

COURSER, BRANDON J
69-46628

DODGE, TANYA D
69-46554

GUDEMAN, AUDREY B
69-46557

ORTIVEZ, ALBERT III
69-09337

COLVILLE CONFEDERATED TRIBES

BERCIER, SHILO R
69-46492

DICK, CORVIN M
69-46607

ESCALERA, ESPERANZA
69-24901

HERNANDEZ, PEDRO S
69-24908

MANJARES, LUPITA N
69-46586

KALISPEL TRIBE

ADKINS, JODI M
69-46525

BIGSMOKE, PRECIOUS A
69-46609

BREWER, SUE E
69-46526

BYRD, DAMIEON L
69-46482

COMPIAN, RUTH M
69-46606

COOTE, PATINA J
69-46543

GARY, SEAN S
69-46602

HAYES, EVA H
69-32249

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

KALISPEL TRIBE

LAZENBY, RYAN
69-46476

MESHELL, SANDRA R
69-20639

MULLER, MOLLY C
69-46483

PIERRE, RODERICK G
69-46487

RODGERS, ERIC C
69-46478

ROTH, SAMUEL R
69-46479

RYCKMAN, CHRISTOPHER J
69-46608

SAMUELS, JAMIE T
69-46477

SCHMEHL, NICHOLAS A
69-35530

THOMPSON, DONALD R JR
69-46480

URATA, TAZMIN IOKEPA T
69-46481

WHITE, DEVIN R
69-46527

LUMMI NATION

BROOKS, MARISA E
69-46510

JEFFERSON, RALPH C
69-46535

JONES, CHEYNE M
69-46631

KINLEY, MARY JO
69-46451

LEUSCHEN, BERT C
69-46632

MARTIN, MATHEW S
69-46633

MUNOZ GARCIA, MARIA G
69-46515

TERRIS, DEBORAH L
69-46500

WILLIAMS, JASON R
69-25420

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

MUCKLESHOOT INDIAN TRIBE

BRYSON, KAREY R
69-46582

CAMPOS, JANNETTE
69-46488

FAAMULI, NATHAN N
69-46581

HUFF, HAROLD H
69-46529

JACKSON, JOHN W
69-46490

LESTER, DARLA J
69-46489

MUNSON, SAMANTHA A
69-46491

RAMIREZ, CASSANDRA
69-46583

PORT GAMBLE S'KLALLAM TRIBE

HEDGES, JESSICA K
69-46579

KRAMER, SARAH A
69-46578

MAGILL, CINDY L
69-46584

MEYER, MALLORY D
69-46577

PUYALLUP TRIBE OF INDIANS

CASTILLO, NIKKI M
69-46610

CHHUM, SOKHUN T
69-46539

CHOE, AARON J
69-46469

GARDNER, AASHIA A
69-46624

GILLAM, DONNA A
69-46589

GRANGER, ROBERT E
69-46540

JOYNER, WILLIE L IV
69-46538

KAY, SHANNON
69-46603

KIRBY, NIKEYA S
69-46615

LANGE, BRETT A
69-46496

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

PUYALLUP TRIBE OF INDIANS

MATCHAWATE, PATIPAN K
69-29148

MERCADO, ANTHONY-ALLAN M
69-46617

MORBECK, VANESSA M
69-46486

PYATT, AMBROSE JR
69-46625

SANTANA, RENALDO E
69-46455

STAFFORD, DELORES U
69-46547

THOMAS, CLIFFORD N JR
69-46516

VILLALUZ-GAONA, DANIEL C
69-36893

YAT, SUNY
69-34922

YOUNG, EVELYN C
69-46470

QUINAULT NATION

CARDENAS, GRACE M
69-46638

CROW, SASHA M
69-41226

O'HARA, TYLER M
69-46600

SKOKOMISH TRIBE

HINOJOS, DELIA
69-46494

NELSON, MIKEL J
69-46495

SPOKANE TRIBE

ANFELDT, CARRIE A
69-46561

AYERS, JESSICA T
69-46420

BARNETT, TAMMY M
69-46537

BARROTT, PEGGY J
69-46502

CABRERA, DAVID G
69-46536

CANDLER, COREY J
69-46564

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

SPOKANE TRIBE

COMPOGNO, MARLENE J
69-46562

CUMOR, TIFFANY A
69-46563

GLASSER, TRAVIS A
69-36601

HAFlich, MYONG S
69-46441

KLEINSASSER, RAEHEL L
69-46465

RANGEL, CHRISTOPHER J
69-46565

SAMUELS, RICARDO J
69-27942

SCHAEFER, AUDREY E
69-46452

STEVENS, ERIC R
69-46576

THOMAS, FANNY E
69-46464

SQUAXIN ISLAND TRIBE

ALLEN, DUSTIN S
69-46560

ALMANZA, GERRAINT I
69-46517

BEARDEN, BRYAN D
69-09221

BRAVO, DEVEN O
69-46518

FROST, KRISTIE A
69-46601

HARROLD, EDWARD B JR
69-46533

RADLEY, CHRISTIAN N
69-31975

RAMIREZ, VALENTIN
69-31809

REYNA, AVERY S
69-46534

SHELTON, NATHAN R
69-35814

VESTNYS, SHANE M
69-46501

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

STILLAGUAMISH TRIBE

BALAM, KRISTINA M
69-24143

DILLON, BRUCE S
69-27439

FEIS, JACOB C
69-46593

LANE, DANIELLE L
69-46559

LARSEN, REBECCA M
69-46468

PETERSON, TITUS H
69-46541

RUSSELL, DUSTIN M
69-46485

SUQUAMISH TRIBE

ALEXANDER, TARYN M
69-46473

BAKER, CHRISTOPHER F
69-46556

CAMACHO, ELIZABELA E
69-46613

ENLOW, AMANDA F
69-46474

HUBBARD, JINTANA S
69-46528

IRVIN, JOHNATHAN D
69-46612

NORTHUP, COLIN J
69-46472

PIERANI, NICHOLAS A
69-46611

PINZA, JAMES T
69-46484

TALMADGE, ALAN G
69-46475

SWINOMISH INDIAN TRIBAL COMMUNITY

GOBIN, RITA L
69-00024

HANNAN, KRISTEN A
69-46498

SANCHEZ, MERCEDES S
69-30158

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

THE TULALIP TRIBES

BOGART, TRICHAE L
69-46509

BOOTH, SEAN T
69-46545

CLARK, CHERYL M
69-35731

FERNANDEZ, OLIVER N JR
69-46522

HANSON, DAVID R
69-46471

HENRY, KALEY L
69-46568

HENRY, MARY R
69-46532

IUKES, NELSON G
69-46513

JITTATHAI, SMARAT
69-46552

LANGAN, ROBERT C III
69-17432

MATTA, ANITA E
69-00077

MEDDOCK, ANASTASIA M
69-46512

NIEDERMEYER, LISA A
69-34777

PAGLIA, ZACHARY A
69-37554

PERRY, CODY J
69-34665

RAMIREZ, MARELY
69-46553

TOM, JOSEPH A
69-46604

TRINIDAD, COLIN J
69-40611

WILLIAMS, MARYANN L
69-31536

WILLIAMS, MICHELLE S
69-46520

WOLGAMOTT, DARRELL F
69-46521

UPPER SKAGIT INDIAN TRIBE

BLACKSHER, LARRY D
69-46524

DUNN, ROBERT M
69-46523

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

UPPER SKAGIT INDIAN TRIBE

FENICAL, DANIELLE V
69-46585

RAMIREZ, VALENTIN
69-31809

THOMAS, TYLER E
69-46588

WEINER, STEPHANIE A
69-46590

YAKAMA NATION

BEGAYE, SHANIA K
69-46544

CROWE, SALINA R
69-27356

DONAHUE, GLENNA A
69-46503

JOHNS WINISHUT, CHRISTOPHER K
69-41232

LAMEBULL, RYAN A
69-37883

MACIAS BARRAGAN, SALVADOR A
69-46506

POLK, DIXON L SR
69-07878

ROSAS, CAROLINA
69-46504

STARR, RICKY A
69-03621

TARULA, JOSE L
69-36509

WHITEFOOT, CLIFFORD D
69-40858



COMMISSION APPROVAL LIST
(Class III Gaming Employees)
May 2019

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Based upon the licensing investigations, staff recommends approving all new Class III employees listed on pages 1- 3.

PERSON'S NAME
CERTIFICATION NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEES

COWLITZ INDIAN TRIBE

ARNOLD, DENISE A
69-42127

BALL, ALEXANDER W
69-46548

BENNETT, NORMAN J
69-46463

BOTT, SIRIYA
69-46572

BREEDLOVE, WILLIAM H
69-46620

CASSANO, RAYNE S
69-46596

CHAVEZ, RYAN A
69-46567

CHEN, SONG
69-46570

CLAIRMONT PEREZ, AMANDA R
69-33493

CUTBIRTH, CADERON S
69-46569

DAVIDSON, DESIREE B
69-46499

GALLOW, ELLE J
69-46508

GOERL, MALENA L
69-46439

GOOSSEN, ROBIN C
69-46549

JONES, MICHELLE A
69-46591

KINCADE, MICA S
69-46437

LAWSON, JAY T
69-46440

LINKOUS, CHRISTOPHER J
69-46592

LOCKWOOD, DEBRA L
69-46595

MANSER, WILLIAM S
69-46550

MARICK, JOHN P
69-41311

MASON, CHEYANNA L
69-46551

MAYER, MARTIN D
69-46462

METCALF, JIM T
69-46575

PERSON'S NAME

CERTIFICATION NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEES

COWLITZ INDIAN TRIBE

MOUA, KINA A
69-41301

REID, WILLIAM F
69-46467

RODRIGUEZ, BRITTANY M
69-46461

ROSS, ELLIOT A
69-46493

RUNYAN, JONATHON J
69-46599

SINGLETON, GAYLE L
69-46619

STEFFANSON, BRUCE A
69-46598

VIERCK, BRIAN D
69-46466

VOLKOV, SERGEY N
69-46412

WHITE-NELSON, KATINA M
69-46594

WOLFE, STEVEN T
69-46566

SNOQUALMIE TRIBE

ALONSO, JESSI
69-40124

GARCIA, GABRIAL J
69-46531

GREEN, AUSTRAL
69-46416

MUELLER, TRAVIS E JR
69-46418

OLASO, ANTHONY E
69-46415

PFULMANN, ANTHONY N
69-43447

RAMOS CESTERO, ALEXA M
69-46413

SIMMONS, DAVID B
69-46417

SWANSTROM, BRIAN J
69-40939

TOMICH, ANNE M
69-46414

VENECIA, JADE J
69-37269

VISAYA, NINA A
69-46574

DATE: 04/15/2019

Page 3 of 3

PERSON'S NAME

CERTIFICATION NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEES

SNOQUALMIE TRIBE

WISEMAN, CHRISTY L
69-46530



HOUSE-BANKED PUBLIC CARD ROOM REPORT

Current House- Banked Locations Operating		45			
	City	Commission Approval Date	License Expiration Date	Org #	License #
ACES CASINO ENTERTAINMENT	SPOKANE VALLEY	Mar 13, 2014	Dec 31, 2019	00-23112	67-00325
ALL STAR CASINO	SILVERDALE	Jan 14, 1999	Jun 30, 2019	00-18357	67-00058
BLACK PEARL RESTAURANT & CARD ROOM	SPOKANE VALLEY	Jan 10, 2013	Sep 30, 2019	00-22440	67-00321
BUZZ INN STEAKHOUSE/EAST WENATCHEE	EAST WENATCHEE	Oct 10, 2002	Dec 31, 2019	00-11170	67-00183
CARIBBEAN CARDROOM	KIRKLAND	Aug 13, 2009	Mar 31, 2020	00-21882	67-00285
CASINO CARIBBEAN	KIRKLAND	Nov 15, 2005	Sep 30, 2019	00-20427	67-00238
CASINO CARIBBEAN	YAKIMA	Mar 14, 2002	Dec 31, 2019	00-17603	67-00093
CHIPS CASINO/LAKEWOOD	LAKEWOOD	Apr 8, 1999	Dec 31, 2019	00-17414	67-00020
CLEARWATER SALOON & CASINO	EAST WENATCHEE	Feb 14, 2019	Dec 31, 2019	00-24296	67-00339
CLUB HOLLYWOOD CASINO	SHORELINE	Sep 9, 2010	Jun 30, 2019	00-22132	67-00303
COYOTE BOB'S CASINO	KENNEWICK	Jul 10, 2009	Mar 31, 2020	00-21848	67-00282
CRAZY MOOSE CASINO II/MOUNTLAKE TERRACE	MOUNTLAKE TERRACE	Jul 10, 2009	Mar 31, 2020	00-21849	67-00283
CRAZY MOOSE CASINO/PASCO	PASCO	Jul 10, 2009	Mar 31, 2020	00-21847	67-00281
EMERALD DOWNS	AUBURN	May 11, 2017	Mar 31, 2020	00-23814	67-00335
FORTUNE CASINO - RENTON	RENTON	Jan 8, 2015	Sep 30, 2019	00-23339	67-00327
FORTUNE CASINO - TUKWILA	TUKWILA	Oct 8, 2015	Jun 30, 2019	00-23465	67-00329
GOLDIE'S SHORELINE CASINO	SHORELINE	May 13, 1999	Dec 31, 2019	00-17610	67-00016
GREAT AMERICAN CASINO/EVERETT	EVERETT	Nov 12, 1998	Dec 31, 2019	00-19513	67-00194
GREAT AMERICAN CASINO/LAKEWOOD	LAKEWOOD	Aug 14, 2003	Jun 30, 2019	00-19258	67-00184
GREAT AMERICAN CASINO/TUKWILA	TUKWILA	Jan 15, 1998	Sep 30, 2019	00-12554	67-00012
HAWKS PRAIRIE CASINO	LACEY	Jul 12, 2001	Jun 30, 2019	00-17579	67-00091
IRON HORSE CASINO	AUBURN	Jan 9, 2003	Dec 31, 2019	00-19477	67-00192

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Current House- Banked Locations Operating**45**

	City	Commission Approval Date	License Expiration Date	Org #	License #
JOKER'S CASINO SPORTS BAR & FIESTA CD RM	RICHLAND	Nov 12, 1998	Dec 31, 2019	00-15224	67-00006
LANCER LANES/REST AND CASINO	CLARKSTON	Nov 13, 2008	Sep 30, 2019	00-21681	67-00276
LAST FRONTIER	LA CENTER	Feb 11, 1999	Sep 30, 2019	00-11339	67-00055
LILAC LANES & CASINO	SPOKANE	Jul 12, 2007	Jun 30, 2019	00-21305	67-00267
MACAU CASINO	TUKWILA	Jan 12, 2012	Sep 30, 2019	00-22573	67-00319
MACAU CASINO	LAKEWOOD	Jul 12, 2007	Mar 31, 2020	00-20428	67-00239
NOB HILL CASINO	YAKIMA	Sep 12, 2001	Dec 31, 2019	00-13069	67-00173
PALACE CASINO LAKEWOOD	LAKEWOOD	Jan 14, 1999	Dec 31, 2019	00-16542	67-00028
PAPAS CASINO RESTAURANT & LOUNGE	MOSES LAKE	Aug 13, 1998	Jun 30, 2019	00-02788	67-00004
RC'S AT VALLEY LANES	SUNNYSIDE	Nov 16, 2017	Mar 31, 2020	00-16220	67-00336
RIVERSIDE CASINO	TUKWILA	Aug 14, 2003	Jun 30, 2019	00-19369	67-00187
ROMAN CASINO	SEATTLE	Feb 10, 2000	Mar 31, 2020	00-17613	67-00057
ROXY'S BAR & GRILL	SEATTLE	Nov 18, 2004	Jun 30, 2019	00-20113	67-00231
ROYAL CASINO	EVERETT	Sep 9, 2010	Jun 30, 2019	00-22130	67-00301
SILVER DOLLAR CASINO/MILL CREEK	BOTHELL	Sep 9, 2010	Jun 30, 2019	00-22131	67-00302
SILVER DOLLAR CASINO/RENTON	RENTON	Sep 9, 2010	Jun 30, 2019	00-22134	67-00305
SILVER DOLLAR CASINO/SEATAC	SEATAC	Sep 9, 2010	Jun 30, 2019	00-22128	67-00299
SLO PITCH PUB & EATERY	BELLINGHAM	Aug 12, 1999	Jun 30, 2019	00-16759	67-00038
THE GETAWAY CASINO	WALLA WALLA	Mar 11, 2016	Jun 30, 2019	00-23485	67-00332
THE PALACE	LA CENTER	Apr 9, 1998	Jun 30, 2019	00-16903	67-00010
WILD GOOSE CASINO	ELLENSBURG	Apr 8, 2004	Dec 31, 2019	00-20009	67-00212
WIZARDS CASINO	BURIEN	Feb 11, 2010	Dec 31, 2019	00-21998	67-00287
ZEPOZ	PULLMAN	Nov 13, 2008	Mar 31, 2020	00-18777	67-00209

Licensed, But Not Operating					1
	City	Commission Approval Date	License Expiration Date	Org #	License #
LUCKY 21 CASINO	WOODLAND	Oct 8, 2013	Jun 30, 2019	00-22918	67-00322

Applications Pending					1
	City	Commission Approval Date	License Expiration Date	Org #	License #
REGINA'S ON THE WATER	LONGVIEW			00-23997	67-00337



Budget: FY 2020

May 9, 2019

Christopher Stanley
Chief Financial Officer



FY 2019 is ending well

FY 2019 Revenue by Category/Subsource

Total Revenue by Category	2019 Expected Revenue	2019 Actual Revenue	2019 Projected Remaining	2019 Revenue Variance
Activity Licenses - Commercial	\$ 2,643,280	\$ 2,170,245	\$ 1,003,673	\$ 530,638
Activity Licenses - Non-Profit	\$ 477,898	\$ 378,702	\$ 197,846	\$ 98,650
Individual Licenses	\$ 1,065,445	\$ 881,504	\$ 273,865	\$ 89,924
Vendor Licenses	\$ 304,941	\$ 233,969	\$ 87,204	\$ 16,232
Tribal-Related Activities	\$ 6,089,577	\$ 4,582,916	\$ 1,686,350	\$ 179,689
Other Sources	\$ 524,583	\$ 403,108	\$ 131,147	\$ 9,672
Agency Total	\$ 11,105,724	\$ 8,650,444	\$ 3,380,085	\$ 924,805

Revenues have out-performed expectations by over 8 percent, primarily due to the 30-percent over-performance of punchboard/pull-tab revenues.

FY 2019 is ending well

FY 2019 Agency / Object-Level View

Agency Total by Object	2019 Total Budgeted	2019 Spent To-Date	2019 Projected Remaining	2019 Variance (Bd-Sp-Pr=Var)
FTEs	114.00	76.57	28.50	8.93
Salaries	\$ 7,891,691	\$ 5,658,370	\$ 1,996,795	\$ 236,526
Benefits	\$ 2,834,564	\$ 2,085,412	\$ 713,635	\$ 35,517
Contracts	\$ 20,000	\$ 19,075	\$ -	\$ 925
Goods & Services	\$ 2,588,131	\$ 1,859,254	\$ 619,341	\$ 109,536
Travel	\$ 330,660	\$ 207,307	\$ 80,913	\$ 42,440
Capital Expenses	\$ 662,856	\$ 640,823	\$ 69,463	\$ (47,430)
Grants & Benefits	\$ 8,100	\$ 3,700	\$ 1,625	\$ 2,775
Agency Total	\$ 14,336,002	\$ 10,473,940	\$ 3,481,772	\$ 380,290

The agency has underspent its budget for FY 2019 by 2.6% due to standard vacancy savings.

FY 2020 budget for adoption

PROGRAM INDEX SUMMARY		FY 2020	FY 2021	BI 2019-21
FTE Total:		119.25	119.25	119.25
Appropriations Total:		\$17,132,382	\$16,816,187	\$33,948,569
Object	Object Title			
A	Salaries and Wages	\$9,392,744	\$9,674,527	\$19,067,271
B	Employee Benefits	\$3,337,829	\$3,326,629	\$6,664,458
C	Professional Service Contracts	\$1,024,494	\$500,494	\$1,524,988
E	Goods and Services	\$2,543,334	\$2,529,556	\$5,072,890
G	Travel	\$303,511	\$303,511	\$607,022
J	Capital Outlay-Equipment	\$527,770	\$478,770	\$1,006,540
N	Grants, Benefits & Client Services Contracts	2,700	2,700	5,400
Objects Total:		\$17,132,382	\$16,816,187	\$33,948,569

Statewide cost of living increases and certain job class reallocations are causing unanticipated growth in agency salaries and benefits. An increase in government service agency rates is also causing growth in the agency budget.

What does this mean for the future?

Four balance sheet scenarios to consider

Scenario 1: 114 FTEs in FY20+

Gambling Revolving Account (884-6)

Projected Balance Sheet – 17-19 and 19-21 Biennium – 114 FTEs

	Actual FY18	Proposed FY19	Biennium Total	Proposed FY20	Proposed FY21	Biennium Total
Beginning WCB =	8,400,091	9,284,165		7,358,982	3,702,639	
Revenue =	14,094,519	12,030,529	26,125,048	13,476,040	13,494,371	26,970,411
884 Expenditures *=	13,210,445	13,955,712	27,166,157	17,132,382	16,816,187	33,948,569
<i>Revenue minus Expenditures =</i>		<i>(1,925,184)</i>		<i>(3,656,342)</i>	<i>(3,321,816)</i>	<i>(6,978,158)</i>
WCB at FY end =	9,284,165	7,358,982		3,702,639	380,823	
FTEs =	103.2	105.1		114.0	114.0	
WCB Target (2 months Exp.) =		\$2,325,952		\$2,855,397	\$2,802,698	

- Expenditures in other accounts are not included. High-level balances are below.
- Expenditures in FY20 and FY21 assumed yearly 3% COLAs

Other Funds:	End of FY18 Bal.	Spent FY19	End of FY19 Bal.	Budgeted FY20	Budgeted FY21	End of FY21 Bal.
Federal Seizure (141)	\$76,000	\$31,402	\$84,676	\$0	\$0	\$84,676
State Seizures (226)	\$528,000	\$0	\$579,108	\$0	\$0	\$528,000
Industrial Ins Prem Ref (03K)	\$189,000	\$0	\$259,063	\$0	\$0	\$114,000

Scenario 2: 120 FTEs in FY20; 123 in FY21

Gambling Revolving Account (884-6)

Projected Balance Sheet – 17-19 and 19-21 Biennium – FY20 = 120 FTEs & FY21 = 123 FTEs

	Actual FY18	Proposed FY19	Biennium Total	Proposed FY20	Proposed FY21	Biennium Total
Beginning WCB =	8,400,091	9,284,165		7,358,982	2,982,639	
Revenue =	14,094,519	12,030,529	26,125,048	13,476,040	13,494,371	26,970,411
884 Expenditures *=	13,210,445	13,955,712	27,166,157	17,852,382	17,896,187	35,748,569
<i>Revenue minus Expenditures =</i>		<i>(1,925,184)</i>		<i>(4,376,342)</i>	<i>(4,401,816)</i>	<i>(8,788,158)</i>
WCB at FY end =	9,284,165	7,358,982		2,982,639	<i>(1,419,177)</i>	
FTEs =	103.2	105.1		120.0	123.0	
WCB Target (2 months Exp.) =		\$2,325,952		\$2,975,397	\$2,982,698	

- Expenditures in other accounts are not included. High-level balances are below.
- Expenditures in FY20 and FY21 assumed yearly 3% COLAs
- Expenditures include actual projections plus 6.0 additional FTEs in FY20 and 9.0 additional FTEs in FY21 at \$120,000 per FTE

Other Funds:	End of FY18 Bal.	Spent FY19	End of FY19 Bal.	Budgeted FY20	Budgeted FY21	End of FY21 Bal.
Federal Seizure (141)	\$76,000	\$31,402	\$84,676	\$0	\$0	\$84,676
State Seizures (226)	\$528,000	\$0	\$579,108	\$0	\$0	\$579,108
Industrial Ins Prem Ref (03K)	\$189,000	\$0	\$259,063	\$0	\$0	\$259,063

Scenario 3: 123 FTEs in FY20+

Gambling Revolving Account (884-6)

Projected Balance Sheet – 17-19 and 19-21 Biennium – 123 FTEs

	Actual FY18	Proposed FY19	Biennium Total	Proposed FY20	Proposed FY21	Biennium Total
Beginning WCB =	8,400,091	9,284,165		7,358,982	2,622,639	
Revenue =	14,094,519	12,030,529	26,125,048	13,476,040	13,494,371	26,970,411
884 Expenditures *=	13,210,445	13,955,712	27,166,157	18,212,382	17,896,187	36,108,569
<i>Revenue minus Expenditures =</i>		<i>(1,925,184)</i>		<i>(4,736,342)</i>	<i>(4,401,816)</i>	<i>(9,138,158)</i>
WCB at FY end =	9,284,165	7,358,982		2,622,639	<i>(1,779,177)</i>	
FTEs =	103.2	105.1		123.0	123.0	
WCB Target (2 months Exp.) =		\$2,325,952		\$3,035,397	\$2,982,698	

- Expenditures in other accounts are not included. High-level balances are below.
- Expenditures in FY20 and FY21 assumed yearly 3% COLAs
- Expenditures include actual projections plus 9.0 additional FTEs per year at \$120,000 per FTE

Other Funds:	End of FY18 Bal.	Spent FY19	End of FY19 Bal.	Budgeted FY20	Budgeted FY21	End of FY21 Bal.
Federal Seizure (141)	\$76,000	\$31,402	\$44,598	\$0	\$0	\$44,598
State Seizures (226)	\$528,000	\$0	\$528,000	\$0	\$0	\$528,000
Industrial Ins Prem Ref (03K)	\$189,000	\$0	\$189,000	\$0	\$0	\$189,000

What's Likely: Modified Scenario 1

Gambling Revolving Account (884-6)

Projected Balance Sheet – 17-19 and 19-21 Biennium – 119.25 FTEs

	Actual FY18	Proposed FY19	Biennium Total	Proposed FY20	Proposed FY21	Biennium Total
Beginning WCB =	8,400,091	9,284,165		7,358,982	5,216,442	
Revenue =	14,094,519	12,030,529	26,125,048	14,149,842	14,169,090	28,318,932
884 Expenditures *=	13,210,445	13,955,712	27,166,157	16,292,382	15,976,187	32,268,569
<i>Revenue minus Expenditures =</i>		<i>(1,925,184)</i>		<i>(2,142,540)</i>	<i>(1,807,097)</i>	<i>(3,949,637)</i>
WCB at FY end =	9,284,165	7,358,982		5,216,442	3,409,344	
FTEs =	103.2	105.1		119.25	119.25	
WCB Target (4 months Exp.) =		\$4,651,904		\$5,430,794	\$5,325,396	

This scenario assumes 119.25 budgeted FTEs and the historical vacancy rate of a minimum of 7.0 FTEs/month.

The WCB Target is updated to reflect four months of expenditures instead of two, which recognizes the volatility of recreational fee-based revenue.

- Expenditures in other accounts are not included. High-level balances are below.
- Expenditures in FY20 and FY21 assumed yearly 3% COLAs

Other Funds:	End of FY18 Bal.	Spent FY19	End of FY19 Bal.	Budgeted FY20	Budgeted FY21	End of FY21 Bal.
Federal Seizure (141)	\$76,000	\$31,402	\$84,676	\$0	\$0	\$84,676
State Seizures (226)	\$528,000	\$0	\$579,108	\$0	\$0	\$528,000
Industrial Ins Prem Ref (03K)	\$189,000	\$0	\$259,063	\$0	\$0	\$114,000



Questions?

Christopher Stanley
Chief Financial Officer





Rule Petition to Amend
WAC 230-15-135 – Wagering limits for nonhouse-banked card games.

March, 2019 – Petition to Initiate Rule-Making

Tab 3: MAY, 2019 Commission Meeting Agenda. Statutory Authority 9.46.070

Who Proposed the Rule Change?

Alexander Olson, Tukwila, Washington

Petition for Rule-making

Mr. Olson petitions for a rule change to remove wagering limits for poker. Mr. Olson feels that this change is needed because the wagering limits are arbitrary in nature, a hindrance to participation, and lack of benefit to any participating party or governing body make it obsolete. Additionally, he feels that wagering limits discourage professional poker players from living, playing, and paying taxes in Washington state. The current rule prevents all “no-limit” variants of poker, which, in Mr. Olson’s opinion, is the most commonly sought after variants of poker by professional and amateur players. Mr. Olson feels that removing wagering limits on poker will attract more professional and amateur poker players to the state and increase overall casino attendance.

Attachments:

- Petition
- WAC 230-15-135
- Stakeholder Feedback

Background and Policy Considerations

Maximum single wager limits have increased over time, as reflected in the table below.

Maximum Amount of a Single Wager			
	Card room	Class F Endorsed	House-Banked
Prior to 2008	\$25	\$25	\$25
January 1, 2008	\$40	\$40	\$40
January 1, 2013	\$40	\$40	\$40
		\$100 for Texas Hold’Em	\$100 for Texas Hold’Em
September 26, 2016	\$40	\$100	\$300
December 23, 2016	\$40	\$300	\$300

The Commission last reviewed this rule in 2016 when it accepted rule petitions from card room owners George Teeny and Teresa Malphrus. The Commission then amended the 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.

This proposed change would impact all Class F and house-banked card room licensees. As of April, 2019, there is 1 Class F licensee and 46 house-banked card room licensees.

Stakeholder Outreach and Feedback

Attachments:

- Galen Cobbs – opposed to removing wager limits
- Grant Udlock – in support of raising wager limits to \$1,000

Staff Recommendation

Under the requirements of the Administrative Procedure Act, the Commission must take action on a petition within 60 days of receiving it. Your options are:

- 1) Initiate rule-making proceedings by filing the rule as proposed for further discussion; or
- 2) Deny the petition in writing, a) stating the reasons for the denial and specifically address the concerns stated in the petition, or b) where appropriate, indicate alternative means by which the agency will address the concerns raised in the petition.

Staff recommends denial of the petition. All Washington authorized gambling activities are limited in nature and scope by RCW 9.46.010 and therefore have wagering limits.

PETITION FOR RULE CHANGE

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: 230-15-135

I am requesting the following change: Removal of section (1) “Poker” from rule number 230-15-135, thereby removing the arbitrary limits on number of betting rounds and \$40 or \$300 limit wagers made at poker games.

This change is needed because: Its arbitrary nature, hindrance to participation, and lack of benefit to any participating party or governing body make it obsolete. It discourages professional poker players from living, playing, and paying taxes in Washington State. It completely prevents all “no-limit” variants of poker, which are by far the most commonly sought after and played variants by professionals and amateurs alike.

The effect of this rule change will be: Increased population of taxpaying professional poker players. Increased overall casino attendance due to increased popularity of “no-limit” poker variants.

Proposed Rule Amendment

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;~~

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

(23) **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

Proposed Rule Amendment

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

(34) **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.

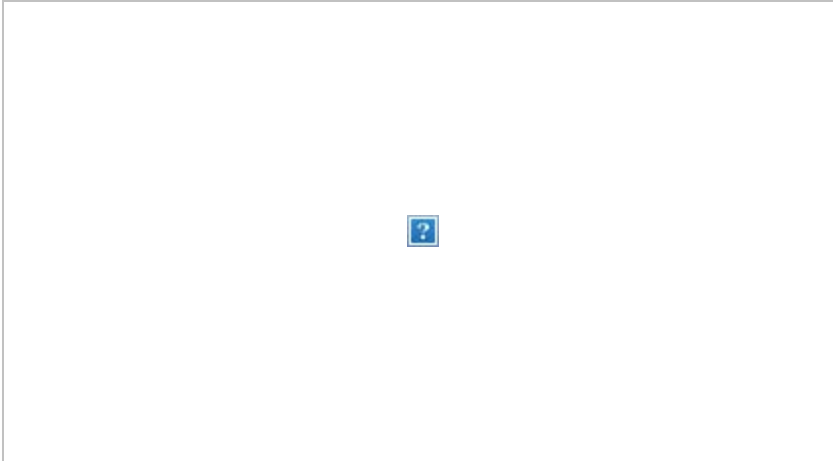
[Statutory Authority: RCW 9.46.070. WSR 18-05-029, § 230-15-135, filed 2/9/18, effective 7/1/18. Statutory Authority: RCW 9.46.070 and 9.46.0201. WSR 16-23-153, § 230-15-135, filed 11/22/16, effective 12/23/16; WSR 16-18-024, § 230-15-135, filed 8/26/16, effective 9/26/16. Statutory Authority: RCW 9.46.070 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.]

From: [Galen Cobbs](#)
To: [Laydon, Ashlie \(GMB\)](#)
Subject: Re: Washington State Gambling Commission - Notice of Rule Petition
Date: Wednesday, May 1, 2019 9:33:54 AM

Good morning Ashlie,
We would like to amend our previous response to the rule change.

We are not in favor of this rule change. We do not want to cater to professional gamblers. As a small card room we cater to recreational players who like to play poker as a hobby.

Thank you for your consideration.



On Wed, Apr 3, 2019 at 10:15 AM Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov> wrote:

Good morning,

This email is to inform you that the Washington State Gambling Commission has received the attached petition for rule making. [RCW 34.05.330](#) is the law that governs these types of petitions and it requires that an agency hear a petition within 60 days of receipt of the petition. This petition will be heard by the Commission at the May 9th & 10th Commission meeting in Vancouver, Washington.

If you would like to comment on this petition, you can do so by responding to me directly or by submitting a public comment through our website [here](#).

Feel free to contact me if you have any questions.

Ashlie Laydon

Rules Coordinator

Legal and Records Division

Washington State Gambling Commission

From: [Grant Udlock](#)
To: [Laydon, Ashlie \(GMB\)](#)
Cc: [Michael Mazeckin](#)
Subject: Re: Washington State Gambling Commission - Notice of Rule Petition
Date: Thursday, April 4, 2019 3:23:13 PM

I've been working and playing in Washington poker rooms for over 20 years. I understand the petition from a poker player point of view and I do believe the betting cap should be raised in our state.

I don't think allowing a true no limit would serve the best interest of the smaller casinos or the average player recreational player.

All players should know their limit, but I think we all know that most don't and therefore would still play in games that are structured above their means.

I know this petition was setup as an all our nothing structure but I would suggest raising the betting limit to \$1,000, this would still give the professional poker player enough of an advantage so their skill would prevail in the long run.

My main concern is the average player who thinks they're good enough to sit at these tables and by the time they realize they're not it becomes life changing monies they have lost.

Washington state has grown up and become a legitimate place for poker and therefore the limits should reflect that, but in my opinion still within limits to protect the average player, while at the same time offering a very legitimate game.

Thanks for your time in reading my response, any questions please let me know.

Regards,

Grant

Get [Outlook for iOS](#)

From: Laydon, Ashlie (GMB)
Sent: Thursday, April 4, 2019 3:09 PM
To: Grant Udlock
Subject: RE: Washington State Gambling Commission - Notice of Rule Petition
Grant,

I believe maybe this was sent to me before you were finished writing it?

From: Grant Udlock
Sent: Thursday, April 4, 2019 2:57 PM
To: Laydon, Ashlie (GMB)
Subject: Re: Washington State Gambling Commission - Notice of Rule Petition
Ashlie,
Have an

Get [Outlook for iOS](#)

From: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>

Sent: Wednesday, April 3, 2019 10:18 AM

Cc: Considine, Brian (GMB); Griffin, Tina (GMB); Rancour, Michelle (GMB); Lies, Julie (GMB)

Subject: Washington State Gambling Commission - Notice of Rule Petition

Good morning,

This email is to inform you that the Washington State Gambling Commission has received the attached petition for rule making. [RCW 34.05.330](#) is the law that governs these types of petitions and it requires that an agency hear a petition within 60 days of receipt of the petition. This petition will be heard by the Commission at the May 9th & 10th Commission meeting in Vancouver, Washington.

If you would like to comment on this petition, you can do so by responding to me directly or by submitting a public comment through our website [here](#).

Feel free to contact me if you have any questions.

Ashlie Laydon

Rules Coordinator

Legal and Records Division

Washington State Gambling Commission

(360) 486-3473

ashlie.laydon@wsgc.wa.gov



Rule Petition to Amend

WAC 230-03-210- Applying for a gambling service supplier license.
 WAC 230-03-190- Applying for a distributor license.

May, 2019 – Discussion and Possible Filing
October, 2018 – Petition to Initiate Rule-Making

Tab 4: MAY, 2019 Commission Meeting Agenda.	Statutory Authority 9.46.070
Who Proposed the Rule Change?	
Wendy Winsor, W.O.W. Distributing, Mukilteo, Washington	
Background and Policy Considerations	
<p>Bold = Changes made after the October 2018 Commission Meeting.</p> <p>W.O.W. Distributing originally requested the repeal of WAC 230-03-225, which prohibits licensed manufacturers or distributors of punch boards/pull-tabs from also being a licensed gambling service supplier, so that it could charge a fee for training and assistance it is already providing to new and existing customers. A service supplier license is required to carry out these activities for compensation. Staff opposed the repeal and the Commission accepted the petition in October 2018 and entered into rule-making to amend current rules to allow W.O.W. to carry out these activities without a repeal of any rule.</p> <p>Commission staff conducted stakeholder outreach, including in-person or telephonic meetings, to discuss changes to our service supplier rules. Staff and stakeholders who participated in the meetings agreed that it was best to amend our current distributor rules and service supplier rule, to achieve the petitioner’s request to provide training and assistance to new and current customers for a fee.</p> <p>Attachments:</p> <ul style="list-style-type: none"> • Petition • WAC 230-03-210 • WAC 230-03-190 	
Stakeholder Feedback and Outreach	
<p>Stakeholder meeting was convened on January 17, 2019 and February 22, 2019. Stakeholders are supportive of petitioner’s wishes to provide education, training, and assistance with licensing for new and existing punch boards and pull-tab licensees, but are resistant to repealing or amending WAC 230-03-225 as it protects the integrity of punchboards and pull-tabs. Stakeholders have agreed on the proposed changes to WAC 230-03-210 and WAC 230-03-190 in order for the petitioner to achieve this.</p>	
Staff Recommendation	
Staff recommends filing the proposed language for further discussion.	

Petitioner's Name: Wendy Winsor

Mailing Address: 4424 Chennault Beach Road Suite B

City: Mukilteo

State: WA

Zip Code: 98275

Phone: 4258709741

Email: Wendyw@wowdistributing.com

Rule Petition Type: Repeal Rule – I am requesting WSGC to eliminate an existing rule.

==Repeal Rule – I am requesting WSGC to eliminate an existing rule.==

List rule number (WAC) if known: WAC 230-03-225

Reason for repeal:

- It does not do what it was intended to do
- It is no longer needed because
- It imposes unreasonable costs
- It conflicts with another federal, state or local law or rule

Explain in more detail the reason for repeal:

WAC 230-03-225 “is no longer needed” and “imposes unreasonable costs” and “conflicts with another rule” and therefore, should be repealed because:

- A distributor of pull-tabs, and its representatives, must inform and educate perspective and established pull-tab licensees in order to perform the activities for which it is licensed and;
- Unreasonable costs (i.e., photo copying, labor, transportation) are incurred by a distributor in the course of performing these licensed activities and;
- WAC 230-03-210 requires anyone who performs these activities for compensation must apply for a “gambling service supplier license” but WAC 230-03-225 does not allow a distributor to hold both licenses.

Repeal of WAC 230-03-225 will allow a distributor to perform its licensed activities and remain compliant. Repeal of WAC 230-03-225 is within the RCW’s and WAC’s and if repealed, poses no conflict.

Wendy Winsor

WAC 230-03-210 Applying for a gambling service supplier

license. (1) You must apply for a gambling service supplier license if you perform any of the following gambling-related services for compensation:

(a) Consulting or advisory services regarding gambling activities; or

(b) Gambling management services; or

(c) Financing for more than one licensee for purchases or leases of gambling equipment or financing for providing infrastructure or facilities, or equipment that supports gambling operations:

(i) Once you have financed more than one licensee, you must be a licensed gambling service supplier until all loans with licensees or previous licensees are paid.

(ii) Once you have been a licensed gambling service supplier, you must be licensed as a gambling service supplier again before financing purchases or leases for any licensee; or

(d) Acting as a lending agent, or loan servicer, or placement agent; or

(e) Providing the assembly of components for gambling equipment under a contract with a licensed manufacturer or entering into an ongoing financial arrangement for gambling related software with a licensed manufacturer; or

(f) Installing, integrating, maintaining, or servicing digital surveillance systems that allow direct access to the operating system; or

(g) Training individuals to conduct authorized gambling activities; or

(h) Providing any other service or activity where influence may be exerted over any gambling activity licensed by the commission; or

(i) Performing the testing and certification of tribal lottery systems in meeting requirements specified in the tribal-state compact; or

(j) Providing nonmanagement-related recordkeeping or storage services for punch board and pull-tab operators, when the combined total gross billings from such services exceed thirty thousand dollars during any permit period or license year.

(2) You do not need a gambling service supplier license if you are:

(a) A bank, mutual savings bank, or credit union regulated by the department of financial institutions or any federally regulated commercial lending institution; or

(b) A university or college regulated by the Washington state board of community and technical colleges and the higher education coordinating board that trains individuals to conduct authorized gambling activities; or

(c) An attorney, accountant, or governmental affairs consultant whose primary business is providing professional services that are unrelated to the management or operation of gambling activities; or

(d) A person who only provides nonmanagement-related recordkeeping or storage services for punch board and pull-tab operators, when the combined total gross billings from such services do not exceed thirty thousand dollars during any permit period; or

(e) A person who provides names, images, artwork or associated copyrights, or trademarks, or patent use, or other

features that do not affect the results or outcome of the game,
for use in gambling equipment; or

(f) Regulated lending institutions; or

(g) A licensed distributor who provides any of the
following services for compensation:

(i) Training to licensed and potential punch board/pull-tab
operators; or

(ii) Providing assistance to gambling license applicants or
licensees seeking gambling license renewal for compensation.

[Statutory Authority: RCW 9.46.070. WSR 10-19-052 (Order 673), § 230-03-210, filed 9/14/10, effective 1/1/11; WSR 07-21-116 (Order 617), § 230-03-210, filed 10/22/07, effective 1/1/08; WSR 06-24-030 (Order 605), § 230-03-210, filed 11/29/06, effective 1/1/08; WSR 06-07-157 (Order 457), § 230-03-210, filed 3/22/06, effective 1/1/08.]

WAC 230-03-190 Applying for a distributor license. You

must apply for a distributor license if you:

(1) Buy or otherwise obtain a finished piece of gambling equipment for use in authorized gambling activities from another person and sell or provide that gambling equipment to a third person for resale, display, or use; or

(2) Are a manufacturer who sells or provides gambling equipment you do not make to any other person for resale, display, or use; or

(3) Service and repair authorized gambling equipment. However, distributors must not add, modify, or alter the gambling equipment; or

(4) Modify gambling equipment using materials provided by manufacturers to upgrade equipment to current technology; or-

(5) Buy or lease a group 12 amusement game from another licensee and sell or lease the group 12 amusement game to an amusement game licensee; or-

(6) Provide training to licensed and potential punch board/pull-tab operators for compensation; or

(7) Provide assistance to gambling license applicants or licensees seeking gambling license renewal for compensation.

[Statutory Authority: RCW 9.46.070. WSR 18-05-026, § 230-03-190, filed 2/9/18, effective 5/1/18. Statutory Authority: RCW 9.46.070, 9.46.0201. WSR 16-19-015, § 230-03-190, filed 9/8/16, effective 10/9/16; WSR 16-08-033 (Order 718), § 230-03-190, filed 3/30/16, effective 4/30/16. Statutory Authority: RCW 9.46.070. WSR 06-07-157 (Order 457), § 230-03-190, filed 3/22/06, effective 1/1/08.]

WAC 230-03-220 Marketing level restrictions for punch board or pull-tab manufacturers, distributors, or operators.

(1) The different marketing levels for punch board and pull-tabs are:

- (a) Operator; and
- (b) Distributor or manufacturer.

(2) If you are a manufacturer or distributor, or spouse of a manufacturer or distributor of punch boards, pull-tabs, pull-tab dispensing devices, or related equipment, you must not have a substantial interest in a business that operates punch boards or pull-tabs.

[Statutory Authority: RCW 9.46.070. WSR 06-07-157 (Order 457), § 230-03-220, filed 3/22/06, effective 1/1/08.]



Rule Petition to Amend

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

May, 2019 – Discussion

February, 2019 – Rule-making Filed

Tab 5: MAY, 2019 Commission Meeting Agenda.	Statutory Authority 9.46.070
Who Proposed the Rule Change?	
Bo Zarach, Bally Technologies/Scientific Games, Las Vegas, Nevada	
Background and Policy Considerations	
<p>Bold = Changes made after February 2019 Commission Meeting.</p> <p>Bally Technologies/Scientific Games requested WAC 230-16-151 be amended allowing card shufflers to be connected to a secure cellular network for billing purposes only. Currently, gambling equipment can only be connected to external tools for standard maintenance through a closed network.</p> <p>This change would allow licensed manufacturers to have a new billing option for card shufflers found in licensed card rooms. Bally Technologies/Scientific Games states that this change will allow it to only bill for the shuffler when it is in use. It states that this change may save on costs for card rooms because a card room would be charged only for the amount of successful shuffles rather than paying a standard set price for the use of the shuffler. Card shuffling devices connecting to a secure cellular network have already been tested by the Electronic Gaming Lab and approved for use in tribal facilities.</p> <p>The current proposed rules address card shufflers, billing information, and cellular networks based on the petition request received in February. Stakeholder feedback received by staff indicates that some stakeholders may be interested in broadening the scope of this rule language once the current rule-making is finalized. Staff will discuss additional proposals with stakeholders once this rule is finalized and bring those proposals to the Commissioners for review later this year, if needed.</p> <p>Attachments:</p> <ul style="list-style-type: none">• Letter from Bo Zarach, Bally Technologies/Scientific Games• Petition• Shuffler Flex Cellular System Overview• Draft language	
Stakeholder Outreach and Feedback	
<p>Stakeholder meetings were convened on March 20, 2019 and April 26, 2019. We discussed adopting a new rule that allows card shuffling devices to connect to a secure cellular network for billing purposes instead of amending WAC 230-16-151. We also discussed other types of gambling equipment, connecting to other types of secure networks, and connecting for purposes other than billing, such as diagnostic purposes. These concerns are outside the scope of this petition but can be addressed in the future. On April 26, 2019, stakeholders agreed to move forward with language to allow for card shuffling devices to connect to secure cellular network for billing purposes only and to address other concerns at a later date.</p>	
Staff Recommendation	
Staff recommends filing for further discussion.	



December 26, 2018

VIA UPS

Washington State Gambling Commission
ATTN: Ashlie Laydon, Rules Coordinator
4565 7th Avenue SE
Lacey, WA 98503

RE: Rule Amendment Petition for WAC 230-16-151

Dear Ms. Laydon:

Bally Gaming is respectfully requesting your review and adoption of our Rule Amendment Petition. This petition is requesting a modification to WAC 230-16-151 - gambling equipment being connected to external tools for standard maintenance. Currently, Item #1 within this WAC, states that gambling equipment can only be connected to a closed network. We would like this WAC amended to allow our gaming equipment to connect to a secure cellular network for billing purposes only.

We have developed a new billing option that allows Card Rooms/Casinos to pay for the shuffler based on the amount it is used. This option is targeted for locations that have table game pits that are only open part time but still want the security of using a shuffler. Rather than paying a standard lease price they will only pay for the number of successful shuffles. This is accomplished by adding a secure cellular modem to our approved shufflers. This modem will transmit the shuffler data to our server a set number of times during the day. This information will then be used to bill the Card Room/Casino. The shuffler data that is sent to our server is historical information only and does not include real time information for the games in progress. The shuffler data that is transmitted includes:

- Equipment statistics such as software versions, serial numbers, network information, hard count meters and shuffler configuration information.
- Usage information such as hard count meters, successful and unsuccessful shuffles, shuffles completed for service purposes, number of card sorts and the number of cards in each shuffle.
- History logs such as shuffler malfunctions, card recognition errors and maintenance logs.
- Test messages used for setup.

Enclosed for your consideration of this request are the following:

- Washington Petition Form
- Shuffler Flex Cellular System Overview
- Proposed Rule Change Wording

6601 S. Bermuda Road
Las Vegas, NV 89119
Las Vegas Office: 702.532.7700, Fax 702.532.7582
Reno Office: 775.532.1500, Fax 702.532.9045

www.BallyTech.com



We welcome the opportunity to meet with the Washington State Gambling Commission directly on this matter. If you have any questions regarding this request, please contact me at 702-532-7140 or Bo.Zarach@scientificgames.com.

Sincerely,

A handwritten signature in blue ink that reads "Bo Zarach".

Bo Zarach
Compliance Product Manager

6601 S. Bermuda Road
Las Vegas, NV 89119
Las Vegas Office: 702.532.7700, Fax 702.532.7582
Reno Office: 775.532.1500, Fax 702.532.9045

www.BallyTech.com



PETITION FOR ADOPTION, AMENDMENT, OR REPEAL OF A STATE ADMINISTRATIVE RULE

Print Form

In accordance with [RCW 34.05.330](#), the Office of Financial Management (OFM) created this form for individuals or groups who wish to petition a state agency or institution of higher education to adopt, amend, or repeal an administrative rule. You may use this form to submit your request. You also may contact agencies using other formats, such as a letter or email.

The agency or institution will give full consideration to your petition and will respond to you within 60 days of receiving your petition. For more information on the rule petition process, see Chapter 82-05 of the Washington Administrative Code (WAC) at <http://apps.leg.wa.gov/wac/default.aspx?cite=82-05>.

CONTACT INFORMATION *(please type or print)*

Petitioner's Name Bo Zarach

Name of Organization Bally Gaming

Mailing Address 6601 S. Bermuda Road

City Las Vegas State NV Zip Code 89119

Telephone 702-532-5857 Email Bo.Zarach@ScientificGames.com

COMPLETING AND SENDING PETITION FORM

- Check all of the boxes that apply.
- Provide relevant examples.
- Include suggested language for a rule, if possible.
- Attach additional pages, if needed.
- Send your petition to the agency with authority to adopt or administer the rule. Here is a list of agencies and their rules coordinators: <http://www.leg.wa.gov/CodeReviser/Documents/RClst.htm>.

INFORMATION ON RULE PETITION

Agency responsible for adopting or administering the rule: Washington State Gaming Commission

1. NEW RULE - I am requesting the agency to adopt a new rule.

The subject (or purpose) of this rule is: _____

The rule is needed because: _____

The new rule would affect the following people or groups: _____

2. AMEND RULE - I am requesting the agency to change an existing rule.

List rule number (WAC), if known: 230-16-151, Gambling equipment connecting to external tools for standard maintenance.

- I am requesting the following change: Gambling equipment can connect to a secure cellular network when being used for billing purposes only.
- This change is needed because: Current rule states "The following gambling equipment can be connected to external tools for standard maintenance only through a closed network".
- The effect of this rule change will be: This will allow the Card Rooms to pay for the amount the gaming equipment is used rather than paying a flat rate monthly lease.
- The rule is not clearly or simply stated: _____

3. REPEAL RULE - I am requesting the agency to eliminate an existing rule.

List rule number (WAC), if known: _____

(Check one or more boxes)

- It does not do what it was intended to do.
- It is no longer needed because: _____
- It imposes unreasonable costs: _____
- The agency has no authority to make this rule: _____
- It is applied differently to public and private parties: _____
- It conflicts with another federal, state, or local law or rule. List conflicting law or rule, if known: _____
- It duplicates another federal, state or local law or rule. List duplicate law or rule, if known: _____
- Other (please explain): _____

Shuffle Flex Cellular System

System overview

The Shuffle Flex Cellular System connects casino card shufflers to Bally's data collection server. The primary purpose of the system is to track shuffler usage in order to provide flexible leasing plans to the casinos. In addition to usage, software version numbers and history logs are sent to the server.

All communication is single direction, initiating at the shuffler and received by the server. The shufflers receive no external communication, except a reply from the server that a message has been received. Unlike a progressive cellular link, no game or prize dependent messages are sent. The data is historical, no real time information is sent. The shufflers connect to the server over a private, secure network.

Wireless Security Architecture

The shuffler connects to either a GSM or CDMA cellular network via a cellular modem. The connection is to a private Access Point Name (APN) managed by the cellular network. The APN is connected to Bally's Virtual Private Network (VPN). The VPN connects to a Bally local network that includes the collection server.

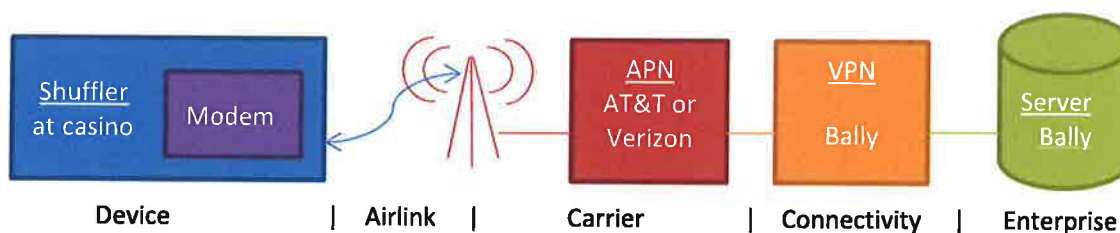


Figure 1

The Airlink connection between the modem and the carrier is data only. The Airlink segment uses A5/1 encryption or A5/2 encryption in some global locations if export restrictions apply.

The APN and VPN convey data from the shuffler to the Bally local network through secure and private access. There is no public or internet access to the shufflers or server. All the shufflers are assigned local IP addresses in the 10.6X.xxx.xxx range.

Details of the messages

Refer to the document "Shuffle Flex Message Protocol" for specific field names and type of data.

All messages are formatted using the JavaScript Object Notation (JSON) which is a lightweight data-interchange format. The format is described at www.json.org.

Message header

All messages contain the shuffler serial number, time the message was created, a message ID, the shuffler type (MD3, DM2, etc.) and the type of message being sent. Depending on the type of message, other fields are included as indicated below. Even though the protocol describes other message types, only these four message types are implemented in the Shuffle Flex system.

Message type: Power up

When the shuffler is turned on, a power up message is sent to the server that includes the version numbers of the firmware, the SIM card and Modem serial numbers, the network connected to, the hard count meter, game, deck type, number of cards in a shuffle and whether card recognition is enabled.

Message type: Usage

Periodically, a usage message is sent to the server that includes the hard count meter, good shuffles, failed shuffles, service shuffles, sorts and number of cards in a shuffle. The frequency of these messages is determined by the rate set in the Setup/Modem/Usage Update rate screen. Typically, the rate is set at 4 to 6 times per day.

Message type: Log

The history log contains records of shuffler malfunctions, card recognition errors and service related entries such as when the machine is cleaned. The message includes a Log type field, a description of what happened and the hard count meter at the time of the log entry.

Message type: Test

A test message can be sent using the shuffler service menu. It contains the hard count meter and a unique key to verify that communication with the server is successful.

The Billing System

A SQL database connects with the collection server and retrieves the usage messages. These are processed by the database to generate billing reports that are fed into SHFL's Accounting system to produce invoices.

Web server

The GoBally web site allows casino customers to track the usage on the shufflers within their property.

System summary

The Shuffle Flex Cellular System is a secure, unidirectional, usage collection system for the purpose of tracking the amount of shuffler usage by Bally's customers. This data is collected in order to offer flexible leasing plans to the casinos. No real time data is sent to the collection server. Usage is uploaded a few times per day. In addition to usage, the shuffler's firmware version numbers are uploaded at power up and its history logs are uploaded to track maintenance issue.

Components of the Shuffle Flex Cellular System

- Shuffler
 - Deck Mate 2 or MD3
 - RS422 or RS232 serial communication with modem
- Cellular modem
 - Attached to shuffler
 - Dual network capable
 - GSM
 - CDMA
- Cellular Network
 - Towers
 - Microcells
 - Access Point Name (APN)
- Enterprise network
 - Router
 - Virtual Private Network (VPN)
 - Collection server
 - SQL database
 - Billing system

NEW

WAC 230-16-152

Card shuffling devices connecting to a secure cellular network for billing purposes.

Card shuffling devices can be connected to a secure cellular network for billing purposes.

(1) For the purposes of this rule:

(a) A secure cellular network includes the card shuffling device and a cellular modem that is used to transmit information via a secure cellular network.

(b) Billing purposes means transmitting historical shuffler data that is used when billing is based on the number of successful shuffles. Shuffler data includes:

(i) Equipment statistics such as software versions, serial numbers, network information, hard count meters, and shuffler configuration information; and

(ii) Usage information such as hard count meters, successful and unsuccessful shuffles, shuffles completed by service, number of card sorts, and the number of cards in each shuffle; and

(iii) History logs such as shuffler malfunctions, card recognition errors, and maintenance logs; and

(iv) Test messages used for setup.

(2) The following requirements apply when connecting card shuffling devices to a secure cellular network for billing purposes:

(a) An identical or substantially similar card shuffling device connected to a secure cellular network must be tested and approved by us, as outlined in WAC 230-06-050, before it can be used; and

(b) The transmitted data must not include card specific information, live gaming data, or any other gambling information; and

(c) Except for a confirmation notification from the network that the shuffler data was successfully received, there may only be one-way communication from the card shuffling device to the secure cellular network; and

(d) Transmitted information may only be accessed by the licensee or licensed manufacturer; and

(e) A record must be kept of all information transmitted and made available to us upon request.



Rule Petition to Amend

WAC 230-16-005 – Transporting, displaying, and selling gambling equipment at trade shows and conventions.

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

May, 2019 – Final Action

March, 2019 – Discussion and Possible Filing

February, 2019 – Discussion

January, 2019 – Initial Rule-making Approved

Tab 6 MAY, 2019 Commission Meeting Agenda.

Statutory Authority 9.46.070

Who Proposed the Rule Change?

Washington State Gambling Commission Staff

Background and Policy Considerations

Bold = Changes from March 2019 Commission Meeting.

WAC 230-12-337, now WAC 230-16-005, was adopted and became effective in July, 2006, allowing licensed manufacturers and distributors to transport, display, and take orders for authorized gambling equipment at trade shows and conventions.

In 2018, there was a request to transport and display unapproved tribal lottery system machines at a Washington Indian Gaming Association trade show. Staff denied the request because the machines had not been tested in and approved by the Electronic Gaming Lab. Commissioners approved to initiate rule making at the January 2019 Commission meeting to clarify what devices can be displayed at trade shows.

At our February Commission Meeting, two areas were identified where staff believes clarification is needed:

- Can devices that have not been approved by Washington State Gambling Commission but would be used for authorized gambling activities be displayed at trade shows?
- Can devices used for unauthorized activities be displayed at trade shows?

WAC 230-16-005, transporting, displaying, and selling gambling equipment at trade shows, is amended to clarify what gambling equipment can be displayed at a trade show and WAC 230-06-050, review of electronic and mechanical gambling equipment, is amended to ensure the language is consistent with the changes made to WAC 230-16-005.

Stakeholder Outreach and Feedback

A stakeholder meeting was convened on January 24, 2019 to discuss the timeline and potential language for clarifying WAC 230-16-005 and WAC 230-06-050 in time for the WIGA trade show.

Paul Dasaro, Executive Director of Cowlitz Tribal Gaming Agency, testified at March 2019 Commission meeting with concerns regarding Class II gambling equipment being subject to on-site inspection. The proposed language uses “gambling equipment” which is defined in WAC 230-03-200 and does not include Class II gambling equipment. Therefore, Class II gambling equipment is not subject to on-site inspection under the proposed language.

Attachments:

- Email from Marcus Prater, AGEM
- Letter from Steve Bolz, Suquamish Tribal Gaming Commission

- Email from Lance Ledford, Tulalip Gaming Agency

Staff Recommendation

Final Action.

Effective Date

31 days after filing with the Code Reviser's Office – expected to be on or about June 10, 2019.

From: [Marcus Prater](#)
To: [Laydon, Ashlie \(GMB\)](#)
Subject: RE: Tradeshow Discussion; January 10th
Date: Sunday, December 30, 2018 2:03:27 PM

The Association of Gaming Equipment Manufacturers (AGEM) would like to submit the following as part of the public comment process:

“The Association of Gaming Equipment Manufacturers (AGEM), which represents all of the leading slot machine and table game companies in the world and has 166 member companies from 22 countries, respectfully asks the Washington State Gambling Commission to update its rules to allow suppliers to exhibit products in Washington that have not received final lab approvals. Trade show environments in particular should allow for the latest games and technology to be displayed so that the Washington market remains vibrant and strong and operators, and ultimately players, have as many choices as possible to select from. As evidenced by trade shows in gaming markets around the world, there is no downside to allowing this, and regulatory safeguards in Washington and all gaming markets ensure unapproved software, slots, tables or other technology will never make it to the live gaming floor. Thank you for your consideration and we look forward to working with you on this effort going forward.”

MARCUS PRATER
Executive Director
Association of Gaming Equipment Manufacturers (AGEM)
E-mail - AGEM.org@cox.net
Phone - (702) 812-6932
Web - www.AGEM.org

From: Laydon, Ashlie (GMB) [<mailto:ashlie.laydon@wsgc.wa.gov>]
Sent: Friday, December 21, 2018 2:46 PM
To: 'Marcus Prater'
Subject: RE: Tradeshow Discussion; January 10th

They will.

From: Marcus Prater <agem.org@cox.net>
Sent: Friday, December 21, 2018 2:45 PM
To: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>
Subject: RE: Tradeshow Discussion; January 10th

Thank you for this update. Will the comments submitted via email in advance of the meeting be entered into the record as part of the public comment process? In other words, if we don't have someone there in person, will our comments count along with those there in person? Thanks

MARCUS PRATER
Executive Director
Association of Gaming Equipment Manufacturers (AGEM)
E-mail - AGEM.org@cox.net
Phone - (702) 812-6932
Web - www.AGEM.org

From: Laydon, Ashlie (GMB) [<mailto:ashlie.laydon@wsgc.wa.gov>]
Sent: Friday, December 21, 2018 2:05 PM

To: 'Little, Dan'; 'agem.org@cox.net'; 'rebecca@washingtonindiangaming.org'
Cc: Considine, Brian (GMB)
Subject: Tradeshow Discussion; January 10th

Good afternoon,

I wanted to let you know that we'll be discussing the need for clarification of [WAC 230-16-005-Transporting, displaying, and selling gambling equipment at trade shows and conventions](#)- at the January Commission Meeting. You are welcome to attend (details below). There will be an opportunity for public comment. If you'd like to submit materials to the Commission for their consideration, please email them to me by January 2nd. Please feel free to pass this information on to those on the call last month.

January Commission Meeting

-

Date: January 10, 2019 @ 9am PST
Location: Hampton Inn & Suites
4301 Martin Way E.
Olympia, WA 98516

Please contact me if you have any questions. Thank you and have a great holiday!

Ashlie Laydon
Rules Coordinator
Legal and Records Division
Washington State Gambling Commission
(360) 486-3473
ashlie.laydon@wsgc.wa.gov



SUQUAMISH TRIBAL GAMING COMMISSION

P.O. Box 527

Suquamish, WA 98392

1/22/19

To: Julie Lies, Tribal Liaison, Washington State Gambling Commission

From: Steve Bolz, Audit Manager, Suquamish Tribal Gaming Commission

Subj: Comments on WAC 230-16-005

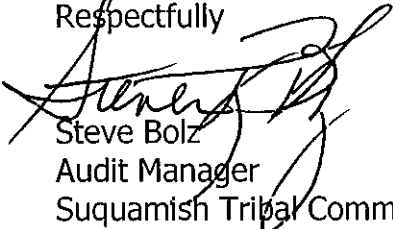
Based on your request for comment in the Notice of Rule Making dated 1/6/19. I am providing the following comments:

The WSGC should reword the section and eliminate the use of terms "authorized" or "approved". Attempts to alter the meaning of either of these 2 terms can have a ripple effect on compact language, processes, and procedures utilized at the casino level. We suggest using the terms "legal" or "pursuant to law".

It would be in the best interest of the tribes and the vendors for the state to allow new technology to be demonstrated in the state. The understanding for all parties concerned would be that demonstrated does not mean offered to the public. Offering something to the public for live play is the final standard for the tribes according to Compact and Appendix X2. Anything short of that is conceptual and has no impact on the general public.

If you have any further questions regarding the comments please feel free to contact me.

Respectfully


Steve Bolz
Audit Manager
Suquamish Tribal Commission

CC: Ashlie Laydon, Rules Coordinator, WSGC

Jim Armstrong, Director, Suquamish Tribal Gaming Commission

Tim Woolsey, Legal Counsel, Suquamish Tribal Gaming Commission

From: [Lance Ledford](#)
To: [Laydon, Ashlie \(GMB\)](#)
Subject: Notice of Rule Making Tradeshows
Date: Tuesday, January 22, 2019 1:53:22 PM
Attachments: [image001.jpg](#)
[Notice of Rulemaking: Tradeshows.pdf](#)

Good Afternoon,

The Tulalip Gaming Agency supports the Washington State Gambling Commission's efforts to update its rules to clarify and allow manufacturers and/or suppliers to showcase Class III gaming equipment or product at a user conference or tradeshow location prior to that manufacturer or supplier having to obtain approval through the standard WSGC EGL testing and approval process. In lieu, we may support a limited scope authorization from WSGC for the specific purpose of gambling equipment being exhibited or demonstrated at a user conference or trade show. It is well established and understood in the Washington state gambling jurisdiction that before gaming equipment can be offered for play on a live, production system; it must go through an independent testing lab, such as GLI or BMM, as well as the WSGC EGL for its approval. Requiring a manufacturer or supplier to go through the approval process prior to knowing whether there is an appetite for a particular game or product can be a time consuming and expensive effort.

Please let me know if you have any questions or if we can be of any assistance.

Thanks,

Lance Ledford

Director | Tulalip Gaming Agency

Email | lledford@tulaliptga.org

Desk | 360.716.2011



"Regulation and Service with Integrity"

WAC 230-16-005 Transporting, displaying, and selling gambling equipment at trade shows ((and conventions)). ((Licensed manufacturers and distributors selling gambling equipment authorized by state or federal law may transport, display, and accept orders for the sale or lease of their products at trade shows and conventions as long as:

(1) They notify us in writing of the nature, date, and location ten days before the trade show or convention; and

(2) Their target audience of the trade show or convention are operators of authorized gambling activities in Washington; and

(3) They deliver all gambling equipment purchased or leased at the trade show or convention to the operator's authorized location.))

(1) "Trade show" when used in this section means an exhibition where licensed manufacturers and distributors promote their products and services to operators of authorized gambling activities in Washington; the exhibition is not open to the public; and it is of limited duration.

(2) "Gambling equipment" as used in this section has the same meaning as in WAC 230-03-200.

(3) "Demonstration mode" when used in this section means when gambling equipment cannot be used for actual wagering and the equipment's coin or bill acceptor is removed or physically restricted from use.

(4) Licensed manufacturers and distributors may transport, display, and accept orders for the sale or lease of their products at trade shows only under the following conditions:

(a) All products must be manufactured by a licensed manufacturer for: Activities authorized by state laws or tribal-state compacts, or is Class II gaming equipment as authorized by federal law for use on tribal lands; and

(b) All gambling equipment physically displayed must be in demonstration mode and either:

(i) Approved for sale or lease in the state; or

(ii) Not approved by us but is only used for authorized activities under state laws or tribal-state compacts, or is Class II gaming equipment as authorized by federal law for use on tribal lands, and is transported into the state no more than ten days before a trade show begins and is removed from the state within ten days following the last day of a trade show.

(c) Gambling equipment must have a sign posted in close proximity to the device that contains the phrase, "No one under 18 years of age is allowed to operate this machine."

(5) Licensed manufacturers and distributors must provide notification that they will be transporting, displaying, or accepting orders for gambling equipment on a form prescribed by the gambling commission at least ten days before a specified trade show.

(6) Gambling equipment at a trade show is subject to on-site inspection by the gambling commission.

WAC 230-06-050 Review of electronic or mechanical gambling equipment. (1) When you submit gambling equipment, supplies, services, or games for our review to verify compliance with chapter 9.46 RCW and Title 230 WAC, you must pay the application deposit before we perform the review. You must also reimburse us for any additional costs of the review. All costs must be paid in full prior to the completion of the review.

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

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

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

(5) Only gambling equipment approved by the director or director's designee is allowed in Washington except as provided under WAC 230-16-005.

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

~~((+6))~~ (7) Gambling equipment must operate as approved by the director or director's designee.

~~((+7))~~ (8) We may keep equipment submitted for review to allow for continued testing and training as long as the equipment remains in play in Washington. We are not liable for any damage to equipment while in our possession.

~~((+8))~~ (9) If you do not agree with the director or director's designee's decision, you may file a petition for declaratory order with the commission according to RCW 34.05.240 and chapter 230-17 WAC.



STATE OF WASHINGTON
GAMBLING COMMISSION

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

April 29, 2019

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

FROM: Brian Considine, Legal and Legislative Manager
Legal and Records Division

SUBJECT: Vincent Johnson, CR 2018-01448
Final Order – May 9, 2019 Commission Meeting

Mr. Vincent Johnson had a gambling license authorizing Public Card Room Employee activity at Wizards Casino in Kent, Washington. His license expired on April 11, 2019.

On September 11, 2018, Mr. Johnson was working as a security officer at Wizards Casino and came into contact with an intoxicated patron needing assistance. While assisting the patron, Mr. Johnson took her money and wallet.

Director Trujillo issued Mr. Johnson a Notice of Administrative Charges on January 29, 2019, by regular and certified mail to his last known address on file. Receipt of delivery of certified mail was received on February 7, 2019. The Commission received a Request for Hearing on February 19, 2019. A prehearing conference was scheduled for April 10, 2019. Mr. Johnson failed to appear.

Mr. Johnson’s failure to appear at the prehearing conference is a waiver of Mr. Johnson’s right to a hearing in Case No. CR 2018-01448. You may take final action against his gambling license. Based on his conduct, Mr. Johnson cannot show by clear and convincing evidence that he is qualified to keep his gambling license. Therefore, staff recommends that the Commission sign the proposed final order and revoke Vincent Johnson’s Public Card Room Employee license, Number 68-34143.



**STATE OF WASHINGTON
GAMBLING COMMISSION**

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

April 29, 2019

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

FROM: Brian Considine, Legal and Legislative Manager
Legal and Records Division

**SUBJECT: Panya Praseuth, CR 2018-01546
Final Order – May 9, 2019 Commission Meeting**

Ms. Panya Praseuth has a gambling license authorizing Public Card Room Employee activity at Fortune Poker in Renton, Washington. Her license expires on June 5, 2019.

On September 5, 2018, the Washington State Gambling Commission was notified by Fortune Poker management that a poker dealer had been stealing poker chips off the table. Our investigation and video surveillance shows that Ms. Praseuth stole approximately \$675 between August 24, 2018 and September 6, 2018. When confronted, Ms. Praseuth admitted to Commission special agents that she had been taking money from the pot for at least three months and estimated she probably took \$1,200. Ms. Praseuth’s employment was terminated on September 11, 2018.

Director Trujillo issued Ms. Praseuth a Notice of Administrative Charges on March 19, 2019, by regular and certified mail to her last known address on file. Pursuant to WAC 230-17-010, a response was required to be received by the Commission by April 11, 2019. No response was received.

Ms. Praseuth’s failure to respond to the charges or timely request a hearing is a waiver of Ms. Praseuth’s right to a hearing in Case No. CR 2018-01546. You may take final action against her gambling license. Based on her conduct, Ms. Praseuth cannot show by clear and convincing evidence that she is qualified to keep her gambling license. Therefore, staff recommends that the Commission sign the proposed final order and revoke Panya Praseuth’s Public Card Room Employee license, Number 68-14169.



**STATE OF WASHINGTON
GAMBLING COMMISSION**

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

April 29, 2019

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

FROM: Brian Considine, Legal and Legislative Manager
Legal and Records Division

**SUBJECT: Marcus A Shin, CR 2019-00267
Final Order – May 9, 2019 Commission Meeting**

Mr. Marcus A Shin has a certification authorizing Class III Employee activity at the Red Winds Casino in Olympia, Washington. His certification expires on July 13, 2019.

The Nisqually Tribal Gaming Agency conducted an investigation in September 2018 regarding its player tracking system. It discovered that Mr. Shin conspired with his brother to defrauding the casino by giving player points to players not at the casino and then cashing out unearned points. Video surveillance between September 24, 2018 and October 3, 2018, shows that Mr. Shin’s player tracking scheme allowed him to unlawfully take \$55,193.00 from the casino. Subsequently, Mr. Shin’s employment was terminated on October 5, 2018.

Director Trujillo issued Mr. Shin a Notice of Administrative Charges on March 22, 2019, by regular and certified mail to his last known address on file. Pursuant to WAC 230-17-010, a response was required to be received by the Commission by April 15, 2019. No response was received.

Mr. Shin’s failure to respond to the charges or timely request a hearing is a waiver of Mr. Shin’s right to a hearing in Case No. CR 2019-00267. You may take final action against his gambling certification. Based on his conduct, Mr. Shin cannot show by clear and convincing evidence that he is qualified to keep his certification. Therefore, staff recommends that the Commission sign the proposed final order and revoke Marcus A. Shin’s Class III Employee certification, Number 69-27740.



STATE OF WASHINGTON
GAMBLING COMMISSION

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

May 2, 2019

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

EX OFFICIO MEMBERS
Senator Steve Conway
Representative Derek Stanford
Representative Brandon Vick

FROM: Brian J. Considine, Legal and Legislative Manager
Chris Stanley, Chief Financial Officer

SUBJECT: LEGISLATIVE UPDATE

Legislative session ended on April 28, 2019. Below is a summary of noteworthy bills that we have been tracking, including our agency request bills and bills we are supporting.

Agency Request Legislation

1. SHB 1302, Gambling Self Exclusion (attached)

SHB 1302 was passed out of the Senate 48-0-1 on April 17, 2019. It was delivered to the Governor on April 26, 2019 and Governor Inslee signed the bill on April 30, 2019. The bill will become law on July 27, 2019.

Bills Supported by the Commission

2. HB 1880, Creating a joint legislative task force on problem gambling

ESHB 1880 was not passed by the Legislature and died on the Senate’s Second Reading Calendar. However, the Task Force structure and an appropriation is in the operating budget, HB 1109, Section 729 (attached).

3. HB 1919, Preventing and responding to animal abuse & HB 1929, Restricting animal fighting paraphernalia (attached)

SHB 1919 was passed by the Senate 44-2-3 on March 29, 2019 and the House unanimously concurred with the Senate amendments on April 18, 2019. The bill was delivered to the Governor for his signature on April 29, 2019. This bill will become law on July 27, 2019.

4. HB 1356, Concerning privileged communication with peer support group counselors

SHB 1356 passed out of the Senate 47-0-2 on April 11, 2019 and the Governor signed the bill on April 23, 2019. The bill will become law on July 27, 2019.

Bills Supported by the Commission (cont.)

5. **HB 1064, Concerning law enforcement**

Representative Goodman's HB 1064 is an amendment to I-940. The bill was passed by the Legislature, signed by the Governor, and became effective on February 4, 2019.

6. **HB 1159, Changing the definition of theft**

HB 1159 did not make it out of the House and is dead for this session.

Bills with Direct Gambling Industry Impacts

7. **HB 1343 and SB 5129, Increasing revenues for the support of state government**

These are OFM request bills that impose a capital gains tax and increase business and occupation (B&O) tax rate from 1.5 percent to 2.5 percent for games of chance. See budget discussion below. Neither was passed this session.

Law Enforcement Bills

8. **HB 1253, Concerning the timeline for commencing basic law enforcement training**

HB 1253 did not make it out of the House Appropriations Committee and is dead for this session. However, the Legislature provided the CJTC new funding for nine additional statewide basic law enforcement trainings in each fiscal year of this biennium.

Operating Budget

9. **HB 1109, operating appropriations**

The Legislature passed the operating budget. In addition to items discussed above, HB 1302 appropriation was included in the Lottery's and our budgets. Additionally, we were approved to move forward with a feasibility study to replace our main business database and case system.

Public Records Act and State Government Bills

10. **HB 1537, Sunshine committee recommendations; and HB 1667, Concerning public records request administration**

HB 1537 unanimously passed out of the Senate on April 15, 2019. HB 1667 was passed by the Senate on April 25, 2019 and the House concurred on April 26, 2019.

11. **HB 1071, Protecting personal information and SB 5662, Cloud computing solutions**

SHB 1071 was unanimously passed by the Senate on April 15, 2019 and the House concurred with amendments on April 22, 2019. E2SSB 5662 died in the House Appropriations Committee.

Looking Towards 2020 Session

12. We will discuss our process for setting our 2020 legislative priorities. However, I do expect sports gambling, social online casinos, and possibly loot boxes and nonprofit activities to be discussed next session.



STATE OF WASHINGTON
GAMBLING COMMISSION

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

TO: **COMMISSIONERS** **EX OFFICIO MEMBERS**
Bud Sizemore, Chair Senator Steve Conway
Julia Patterson, Vice-Chair Representative Derek Stanford
Christopher Stearns Representative Brandon Vick
Ed Troyer
Alicia Levy

FROM: Brian J. Considine, Legal and Legislative Manager
 Tyson Wilson, Special Agent

SUBJECT: **Sports Gambling Update – May 2019**

This memo continues my sports gambling updates first submitted to you in June 2018. Below is an updated sports gambling summary for our May 9-10, 2019 Commission Meeting:

Federal

There are no new updates since my last memo.

Sports Leagues

Professional sports leagues continue to lobby state legislators for integrity or royalty fees and control over the sharing of their statistics and data. Integrity/royalty fees and data rights are not included in any current operating states or bills recently passed by state legislatures.

In February, Major League Baseball asked the Nevada Gaming Control Board, the New Jersey Division of Gaming Enforcement, and the Pennsylvania Gaming Control Board to prohibit wagering on spring training baseball games due to “heightened integrity concerns.” Nevada and New Jersey declined MLB’s request. Pennsylvania granted the request.

MLB also announced prior to the beginning of its season that, per its official partner agreement with MGM, MLB team managers must submit their daily lineups to MLB headquarters prior to releasing them publicly. The information will be released through their official data feed prior to going public. MLB will also hold back umpire assignments until its release through its official data feed.

States

Delaware, Mississippi, New Jersey, Nevada, West Virginia, Rhode Island and Pennsylvania currently offer varying opportunities for state-regulated sports gambling, including land-based and online offerings.

States (continued)

New York and Connecticut have partial laws in place. The New York Gaming Commission issued draft sports gambling regulations for its land-based commercial casinos and it will likely finalize those rules in the next few weeks. Once finalized, commercial and Tribal operators will likely be able to start their sports gambling operations.

Arkansas and Washington D.C. legalized sports betting and are in the process of preparing for it to be offered in the upcoming year. Iowa and Montana's Legislatures recently passed bills now awaiting their Governor's signature.

In total, 28 states have introduced legislation this year to authorize sports betting. Currently, Indiana, Iowa, New Hampshire, and Maine appear most likely to be the next states to authorize sports gambling. Additionally, Arizona, Minnesota, and North Carolina are each considering bills that would only authorize sports gambling at tribal facilities.

Here is an update for the states where sports gambling is currently legal:

Delaware – Sports gambling started in the state on June 5, 2018. The state Lottery is the primary regulator. Sports gambling is only offered at three land-based racetracks and casinos, and these are joint operations by the state through a vendor. The allocation of net revenues are 12.5% to the vendors (Scientific Games, William Hill, and StadiumTech) and the remaining 87.5% of net revenues are allocated 50% to the state, 40% to the racetrack/casinos, and 10% to horse racing purses. In March, \$10.4 million was wagered and there was \$1.6 million in net proceeds. There was \$822,000 to the state.

New Jersey – Sports gambling started in the state on June 14, 2018. The Casino Control Commission is the primary licensing authority and Attorney General's Division of Gaming Enforcement (DGE) is the primary regulator. There are currently 10 land-based and 13 online operators offering sports gambling. Its land-based gross revenues are taxed at 9.75% and mobile and online revenues are taxed at 13%. In March, \$298.3 million was wagered resulting in \$52.6 million in gross revenue. There was \$3.18 million in tax revenue.

Mississippi – Sports gambling started in the state on August 1, 2018. The Gaming Commission is the primary regulator, and gross revenues are taxed at 12%. 23 of the 28 state casinos currently offered sports gambling. In March, \$32.4 million was wagered resulting in \$4.9 million in gross revenue. There was \$588,000 in tax revenue.

West Virginia – Sports gambling started in the state on September 1, 2018. The state Lottery is the primary regulator for that state's five licensed race racetrack/casinos, and gross revenues are taxed at 10%. In March, \$17.6 million was wagered resulting in \$2.3 million in gross revenue. There was \$234,139 in tax revenue.

States (continued)

Rhode Island – Sports gambling started in the state on November 26, 2018. The state lottery operates sports betting at two state-run operations using IGT and William Hill as vendors. The allocation of net revenues are 51% to the state; 32% to the Vendor (IGT); and 17% to the casino. In March, \$23.5 million was wagered resulting in \$1.5 million in gross revenue. Interestingly, there was a total loss of approximately, \$891,000 for February due to the Patriots winning the Super Bowl.

Pennsylvania – Sports gambling started in the state in December 2018. The state gaming control board is the primary regulator. Currently, there are 8 casino locations with online operators forthcoming later this year. Pennsylvania has a \$10 million sports wagering licensing fee and gross revenue are taxed at 36%. In March, there was approximately \$44.5 million wagered for approximately \$25.5 million in gross revenue. There was \$1.87 million in tax revenue.

Nevada – The Gaming Control Board is the primary regulator. Gross revenues are taxed at 6.75% and sports gambling can occur at the state's approximately 190 licensed locations and through mobile and internet platforms. In March, there was approximately, \$596.8 million wagered resulting in \$32.5 million in gross revenue. There was \$2.19 million in tax revenue.

Oregon – The Oregon Lottery is the primary regulator. The state lottery announced last month that it selected SB Tech is their sports betting technology supplier over Scientific Games and Playtech. It appears the state lottery plans to offer sports gambling through online/mobile and kiosks at retail locations starting by Fall 2019 to take advantage of the 2019 NFL season.

Tribal Governments

Currently, there are three Tribes outside of Nevada offering sports gambling at their operations— Choctaw in Mississippi and Pueblo of Santa Ana and Pueblo of Pojoaque in New Mexico.

Additionally, the Pueblo of Isleta in New Mexico announced last month they will open a sports gambling operation soon and the Oneida Indian Nation announced intentions to partner with MGM to have sports gambling operations at three of its facilities.

Commercial Operators

A West Virginia casino operator with two facilities and a mobile app is in litigation with its sports gambling supplier, Miomni, after the operator had to shut down its sports gambling operations allegedly due to Miomni's inability to perform its obligation under the contract. The operator has been unable to offer sports gambling since February 2019 due to this issue.

Las Vegas operator SuperBook USA has announced it will enter the New Jersey market in the near future.