



STATE OF WASHINGTON

GAMBLING COMMISSION

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

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

Thursday, September 12, 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	
9:00 AM	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"> • August 8, 2019 Commission Meeting Minutes • New Licenses and Class III Employees* Class III Employees/Snoqualmie & Cowlitz Tribes* (Action) Director’s Report <i>David Trujillo, Director</i>
Tab 1	
Tab 2	*Petition for Reconsideration Su-Zhen Wu (Action) <i>Brian Considine, Legal and Legislative Manager</i>
Tab 3	40 et 8 Voiture 99 Program Review <i>Roger Sauve, Special Agent</i>
Tab 4	Tribal Compact Contribution <i>Dan Wegenast, Special Agent Supervisor</i> <i>Keith Kam, Special Agent Supervisor</i>
Tab 5	RULES UP FOR DISCUSSION AND POSSIBLE FILING (Action) *Credit Union Raffles Packet <i>Ashlie Laydon, Rules Coordinator</i>
Tab 6	RULES UP FOR DISCUSSION AND POSSIBLE FILING (Action) *Credit, loans or gifts prohibited <i>Ashlie Laydon, Rules Coordinator</i>
Tab 7	*Rocky Mountain Elk Foundation (Action) <ul style="list-style-type: none"> • Request to exceed 300k limit in raffle prizes <i>Jim Nicks Agent in Charge</i>
Tab 8	2020 Agency Request Legislation (Action) <i>Brian Considine, Legal and Legislative Manager</i>
Tab 9	Sports Betting Discussion and Presentation <i>Tina Griffin, Assistant Director</i> <i>Brian Considine, Legal and Legislative Manager</i>
	Public Comment
	Executive Session - Closed to the Public <i>Bud Sizemore, Chair</i> Discuss Pending Criminal Investigations, Tribal Negotiations, and Litigation

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"

August Gambling Commission Meeting Minutes

Hampton Inn and Suites

4301 Martin Way E.

Olympia, WA 98516

Public Meeting

August 8, 2019

Commissioners Present:

Bud Sizemore, Chair

Julia Patterson, Vice Chair

Chris Stearns

Ed Troyer

Alicia Levy

Ex Officio Members Present:

Senator Steve Conway

Staff Present:

David Trujillo, Executive Director; Tina Griffin, Assistant Director; 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 9:11 a.m. and welcomed everyone to the Hampton Inn. He asked for a moment of silence to recognize law enforcement officers who were lost in the line of duty since we last met.

There were 62 people in attendance.

Director Trujillo recognized Special Agent Mark Harris for his 25 years of service to the State of Washington and the Gambling Commission. The commissioners and staff joined Mark and his family for a photo to commemorate the occasion.

Tab 1

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

Commissioner Levy seconded the motion.

The motion was passed 5:0

Commissioner Patterson moved to approve the Class III certifications for the Snoqualmie and Cowlitz Tribes.

Commissioner Levy seconded the motion.

The motion was passed 4:0

Commissioner Stearns abstained from the vote.

Tab 2

Petition for Review Andrew Williams

Assistant Attorney General Kellen Wright represented the Washington State Gambling Commission and Andrew Williams represented himself. Commissioners heard oral arguments from both sides. Chair Sizemore and commissioners went into a closed session to discuss the case.

Following the closed session, **Chair Sizemore announced** that the Commission denied the Gambling Commission staff's petition for review. The Commission affirmed the administrative law judge's (ALJ) previously entered order, including a one year suspension of Mr. Williams's license. The Commission adopted the ALJ's order as the Commission's Final Order.

Tab 3

National Rifle Association Foundation

Agent in Charge (AIC) Jim Nicks presented the materials for the tab. AIC Nicks was joined by National Rifle Association Foundation (NRAF) Regional Director Brad Kruger Field Representative Mike Herrera. NRAF is requesting to exceed the \$300,000 annual limit on raffle prizes. The NRAF submitted previous requests to exceed this limit in 2018 and early 2019.

Commissioner Patterson asked if the NRAF can show, without a shadow of a doubt, that the money being raised in Washington State goes to charitable purposes and is not in any way used for the NRA's political gain. She stated that if they could confirm those claims, she would be in favor of this increase. **Commissioner Troyer** asked if any of the money raised here in Washington State was sent to the national organization level. NRAF representative answered affirmed that funds do go to the national organization. Commissioner Troyer also asked if the money raised in Washington ever made it to a political action committee. The NRAF representative answered no. At this time, **Chair Sizemore** asked for public comment.

Sheri Sawyer, policy advisor to Governor Jay Inslee, testified that there are state laws and regulations around firearms, particularly around the sale and transfer of firearms, and that the Commission has specific regulations about awarding, firearms as a prize in a raffle or an auction. She stated that, on behalf of Governor Inslee, their request is that the Commission, at this time, delay any action on this particular agenda item until there is 100% assurance that all state regulations and laws are being followed in this regard.

Commissioner Troyer asked if the tickets purchased at a NRAF raffle could be purchased by the general public or if the individual has to be a NRAF member.

Members of the audience:

Mr. Trask, policy and advocacy director at the Alliance for Gun Responsibility in Washington, thanked the Commission for letting him express his concerns about the NRA investigation that is ongoing in New York State. He urged the Commission to deny the request.

Mr. Waits, a former Marine, expressed his concerns with the NRAF's nationwide spending habits and urged the Commission to vote no.

Ms. Reeves, a sophomore at a local college, also expressed her concerns about raising the raffle limits for the NRAF, and asked the Commission to deny the request.

During the comment period and commissioner discussion, several concerns were raised regarding accusations that the NRA and NRAF have been co-mingling monies to fund NRA activities that may be prohibited by the NRAF's tax exempt status requirements. Commissioners discussed their desire to ensure that monies raised through raffles in Washington State were being used appropriately and for the NRAF to show where the money goes was after it's raised in Washington.

Commissioner Patterson moved that the Gambling Commission verify that the awarding of firearms in NRA Foundation raffles for at least the previous license year complies with all applicable state laws and regulations and verify that the funds raised from Washington State raffles used solely by NRA Foundation for purposes consistent with the nonprofit status and not for political purposes. Commissioner Troyer moved to add accounting of all funds transferred to the national NRA Foundation from Washington state raffles.

Commissioner Levy seconded the motion.

After some discussion, the motion passed unanimously 5:0 [and an order memorializing the motion would be forthcoming].

Tab 4

Perry Technical Foundation

Special Agent Supervisor (SAS) Bill McGregor presented the material for this tab. SAS McGregor was joined by Perry Technical Institute's (PTI) president Christine Cote, and the director, Tressa Shockley. **Ms. Cote** thanked the commissioners for their consideration to allow PTI to raffle off a house. The house is estimated to cost \$300,000 and PTI would like approval in case the value exceeds \$300,000. **Ms. Shockley** introduced Darren Peters, who is the overseer of the home's construction.

PTI is a new licensee and is seeking approval to offer a raffle prize in excess of \$40,000. They are also seeking approval to exceed the \$300,000 annual raffle limit.

Chair Sizemore asked if PTI is a for-profit business. **Ms. Shockley** informed the Chair that PTI a non-profit organization. PTI has approximately 800 students and 13 training programs. Its post-graduation employment rate is 94%.

SAS Bill McGregor said staff recommended the Commission approve PTI's request to offer a raffle prize in excess of \$40,000 and to exceed the annual raffle prize limit of \$300,000 for its license year ending June 30, 2021.

Commissioner Levy moved to approve PTI's request to offer a raffle prize in excess of \$40,000 and to exceed the annual raffle prize limit of \$300,000 for its license year ending June 30, 2021.

Commissioner Troyer seconded the motion.

The motion was passed unanimously. 5:0

Tab 5

Rocky Mountain Elk Foundation

Rules Coordinator Ashlie Laydon presented the material for this tab. She informed the commissioners that the Rocky Mountain Elk Foundation withdrew its petition for consideration at this meeting and may re-file at a later time.

Tab 6

Defaults

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

Jocelyn Baker, Class III Certification Revocation.

Chair Sizemore asked if Ms. Baker was in the audience. She was not.

Commissioner Levy moved to revoke the Class III certification as presented by staff.

Commissioner Troyer seconded the motion.

The motion passed unanimously.

At 11:15 am, **Chair Sizemore** announced that the commissioners would be going into Executive Session for the purpose of discussing pending criminal investigations, tribal negotiation and litigation. The public meeting was expected to reconvene at 1:15 p.m.

Executive Session ended at 12:55 p.m. The commissioners took a small break before reconvening the meeting at 1:20 p.m.

Chair Sizemore welcomed everyone back to the meeting.

Tab 7

2020 Agency Request Legislation

LLM Considine presented the materials for this tab. Considine reviewed recommended topics that were discussed at the July commission meeting and asked Commissioner Patterson if she had any questions since she could not attend the July meeting. Considine reviewed the three topics the commissioners voted to move forward to the August meeting: (1) General Fund appropriation for the agency's criminal law enforcement functions; (2) Amending RCW 9.46.0209 to ensure inclusion of certain additional charitable nonprofit organizations that may not be qualified under current law; (3) Making changes to the money laundering forfeiture statute. Considine announced that staff had discussions with Chair Sizemore regarding the agency asking for general fund support for law enforcement activities. During those discussions, staff and the Chair agreed to table this request until 2021. This will allow staff and commissioners to talk with legislators and stakeholders about our future revenue needs during the supplemental budget process in 2020 and put the agency in a more advantageous position in making this request for 2021, if needed. **Chair Sizemore** concurred with this summary and the commissioners agreed to table the general fund request for the 2020 session.

LLM Considine then reviewed the remaining two agency request legislation proposals. The commissioners reviewed amendments to the bona fide charitable or nonprofit definition (RCW 9.46.0209) that would allow certain charities to be authorized to receive a gambling license. Seattle University was given as an example of an organization that appears to be prohibited

under the statute unless there is a change. Also, an amendment to the statute is made to clarify the agency's ability to issue licenses to credit unions for members-only raffles.

Next, the commissioners reviewed an amendment to the money laundering forfeiture statute (RCW 9A.83.030) that would authorize forfeited proceeds or property to go towards gambling-related law enforcement activities. Currently, forfeited proceeds or property can only go towards drug-related activities that are outside of the agency's jurisdiction.

LLM Considine also informed commissioners that he sent email correspondence to stakeholders informing them of the commissioners' interest and likely support for changes for trade shows and increasing pull-tab wager limits.

Commissioners discussed possible 2020 agency request legislation and approved staff to finalize agency request legislation packets for changes to the bona fide charitable or nonprofit definition in the Gambling Act, and the money laundering forfeiture statute, as previously discussed. These two proposals should be finalized at the September commission meeting for submission to the Governor's Office by the September 13, 2019 submission deadline.

Tab 8

Sports Gambling Discussion

Assistant Director (AD) Tina Griffin and LLM Considine presented the materials for this tab. **Griffin** provided a presentation on the North American Gaming Regulators Association (NAGRA) conference she and staff attended in Sacramento. NAGRA conference gave staff an opportunity to network with industry counterparts and to learn from them what their experiences have been and what's going on in the industry. Griffin spoke about regulating and wagering methods that are already being used for sports betting, and the types of devices that can be used to place wagers. She also announced that Oregon will be going live with their online wagering in mid-September. **Senator Conway** inquired about the necessity of having an online or mobile option for sports gambling and if the agency was prepared for that possibility. **LLM Considine** indicated that the agency is aware and prepared if that is something the Legislature decides it wishes to authorize. Many operators do advocate for a mobile/online option because it delivers a higher volume of business and is the trend for the industry. However, there are several states with brick and mortar only operations. LLM Considine and AD Griffin will continue to provide regular presentations to the Commission on sports gambling.

Chair Sizemore opened the meeting up for public comment on the sports betting topic.

Public Comment

Cowlitz Chairman Jerry Iyall addressed the Commission. Mr. Iyall stated that he is on the tribal council, and has several other responsibilities. He announced that he retired from the Employment Security Department as a deputy assistant commissioner. One of his many responsibilities was to manage the rules coordinator. He said he has the understanding and a respect and recognition of the value of regulatory oversight. He values and respects the regulatory oversight provided by the state and by this commission. He also stated that the Cowlitz Gaming Commission's staff has more than 300 years of regulatory experience in the gaming industry. He said, "During your deliberations on sports gambling and gaming in general,

I ask that you respect and value that experience and expertise that the Cowlitz Tribe has, and also the other tribes in the gaming industry. Thank you.”

Cowlitz Tribal Gaming Commission Executive Director Paul Dasaro addressed the Commission. Mr. Dasaro thanked the Commission for the opportunity to speak regarding the sports betting topic. He stated that he wasn’t advocating for a particular policy or piece of legislation. As far as the regulatory aspect of the topic going forward, he asked the Commission to seek expertise of Indian gaming, especially the Cowlitz Tribe. He reiterated what Chairman Iyall said about Cowlitz Tribe having over 300 years of gaming experience. He also mentioned that staff have worked in other jurisdictions and have done regulatory work on sports betting in those jurisdictions. Due to this experience, he requested the Gambling Commission avoid imposing overly restrictive regulations, unnecessary limitations on technology, burdensome or excessively time-consuming approval and installation processes, and creating a system unique to Washington. He requested that the Commission develop standards and practices with full participation and consultation of the tribes and to be mindful of the fact that sports betting tends to be a fairly low-margin business, and overly-costly or time-consuming regulatory practices could severely hamper the development of the industry. **Commissioner Stearns** stated that under HB 1975, tribes are the sole operators and the majority of rulemaking and regulation would be agreed upon through the compacting process. He then asked Mr. Dasaro: “How do you see rules and regulations being negotiated through the compact process since that process usually requires the parties to develop standards and requirements together in negotiations?” **Mr. Dasaro** stated that he sees the compact negotiation process as the method for working out the regulatory details. His concern is to not create something similar to the current tribal lottery system, where he believes the state drives the process for an activity that doesn't exist outside of tribal lands. Therefore, he believes that the tribes should decide how they will operate sports gambling, should the tribal-only bill pass, and the State Gambling Commission should not be the main driver of any regulatory process other than negotiating the compact terms desired by the tribes.

Lastly, **LLM Considine** stated that staff will continue to tap into the agency’s 45 years of regulating gambling as staff continues to develop sports gambling presentations for future meetings. He summarized what the next few months “roadmap” would look like for the September, October, and November commission meetings, and the commissioners agreed to continue to receive presentations as recommended by staff.

Tab 9

Stars Group, Inc. Petition for Declaratory Order

LLM Considine presented the materials for the tab. LLM Considine announced that The Stars Group, Inc. withdrew its petition for declaratory order.

Chair Sizemore asked for final public comment.

Senator Conway expressed his concerns on “raffle business.” He said it would likely create some legislative activity.

Chair Sizemore announced that the next commission meeting will be held at the Hampton Inn and Suites on September 12 and 13, 2019.

Meeting adjourned at 2:52 p.m.



HOUSE-BANKED PUBLIC CARD ROOM REPORT

Current House- Banked Locations Operating		44			
	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, 2020	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, 2020	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, 2020	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, 2020	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, 2020	00-17579	67-00091
IRON HORSE CASINO	AUBURN	Jan 9, 2003	Dec 31, 2019	00-19477	67-00192

Current House- Banked Locations Operating

44

	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, 2020	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, 2020	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, 2020	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, 2020	00-20113	67-00231
ROYAL CASINO	EVERETT	Sep 9, 2010	Jun 30, 2020	00-22130	67-00301
SILVER DOLLAR CASINO/MILL CREEK	BOTHELL	Sep 9, 2010	Jun 30, 2020	00-22131	67-00302
SILVER DOLLAR CASINO/RENTON	RENTON	Sep 9, 2010	Jun 30, 2020	00-22134	67-00305
SILVER DOLLAR CASINO/SEATAC	SEATAC	Sep 9, 2010	Jun 30, 2020	00-22128	67-00299
SLO PITCH PUB & EATERY	BELLINGHAM	Aug 12, 1999	Jun 30, 2020	00-16759	67-00038
THE PALACE	LA CENTER	Apr 9, 1998	Jun 30, 2020	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
ZEPPOZ	PULLMAN	Nov 13, 2008	Mar 31, 2020	00-18777	67-00209

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Applications Pending**5**

	City	Commission Approval Date	License Expiration Date	Org #	License #
CARIBBEAN CARDROOM	KIRKLAND			00-24515	67-00343
CASINO CARIBBEAN	KIRKLAND			00-24512	67-00341
CASINO CARIBBEAN	YAKIMA			00-24513	67-00342
MACAU CASINO	TUKWILA			00-24514	67-00344
MACAU CASINO	LAKWOOD			00-24516	67-00345



COMMISSION APPROVAL LIST
(New Licenses & Class III Gaming Employees)
September 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 13.

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ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

NEW APPLICATIONS**BINGO**

FOE 03041

00-00265 01-02794

6419 PIONEER HWY
STANWOOD WA 98292

GRANGE 00684/SAN POIL

00-22509 01-02657

12 CREAMERY RD
REPUBLIC WA 99166

NORTHAVEN DEVELOPMENT

00-24119 01-02749

11045 8TH AVENUE
SEATTLE WA 98125

USELESS BAY GOLF & COUNTRY CLUB

00-05597 01-02320

5725 S COUNTRY CLUB DR
LANGLEY WA 98260-8303**RAFFLE**

50 CALIBERS FOUNDATION AGAINST CANCER

00-24197 02-20893

211905 E 361 PRSE
KENNEWICK WA 99337

AMERICAN LEGION 00043

00-08986 02-02429

701 MURDOCK ST
SEDRO WOOLLEY WA 98284

ETTA PROJECTS

00-22565 02-09135

13644 VINTAGE DR SW
PORT ORCHARD WA 98367

FOE 03041

00-00265 02-21067

6419 PIONEER HWY
STANWOOD WA 98292

FOE 03862

00-07883 02-08226

411 S 1ST ST
SHELTON WA 98584

FRIENDS OF ST JOHN

00-20992 02-08750

1615 DELAWARE ST
LONGVIEW WA 98632

FRIENDS OF THE COWLITZ

00-18163 02-08153

273 FULLER RD
SALKUM WA 98582

GOLDENDALE MASONIC LODGE

00-24181 02-20883

8010 W 21ST AVE
KENNEWICK WA 99338

MORTON ASSOCIATED STUDENT BODY

00-24196 02-21069

152 WESTLAKE AVE
MORTON WA 98356

NORTHAVEN DEVELOPMENT

00-24119 02-20894

11045 8TH AVENUE
SEATTLE WA 98125

ROTARY CLUB/RICHLAND-RIVERSIDE

00-18602 02-08231

221 BROADMOOR ST
RICHLAND WA 99352

ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

NEW APPLICATIONS

RAFFLE

ST ALOYSIUS PARISH
00-01855 02-00560

213 N BEECH ST
TOPPENISH WA 98948

ST JOSEPH PARISH
00-01361 02-01329

625 S ELLIOTT
WENATCHEE WA 98801

PUNCHBOARD/PULL-TAB NONPROFIT

AMERICAN LEGION 00043
00-08986 05-04196

701 MURDOCK ST
SEDRO WOOLLEY WA 98284

FOE 03041
00-00265 05-02776

6419 PIONEER HWY
STANWOOD WA 98292

FOE 03862
00-07883 05-03877

411 S 1ST ST
SHELTON WA 98584

PUNCHBOARD/PULL-TAB COMMERCIAL STIMULANT

LEVEL UP ARCADE BAR
00-24476 05-21621

1022 N COLUMBIA CNT BLVD
KENNEWICK WA 99336

SIDELINES SPORTS BAR & GRILL
00-24488 05-21626

313 NW CHEHALIS AVE
CHEHALIS WA 98532

THREE MONKEYS BAR & GRILL
00-24464 05-21619

7917 NE HWY 99
VANCOUVER WA 98665

TOP GUN BAR & GRILL LLC
00-24435 05-21612

16807 103RD AVE E
PUYALLUP WA 98374

GAMBLING SERVICE SUPPLIER

MAVERICK GAMING
00-24484 26-00359

2626 MONTESSOURI ST
LAS VEGAS NV 89119

MAVERICK WASHINGTON
00-24483 26-00358

2926 MONTESSOURI ST
LAS VEGAS NV 89119

ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

NEW APPLICATIONS

COMMERCIAL AMUSEMENT GAMES OPERATOR

ROLL-A-TUNE
00-18080 53-20026

22422 SE HIGHLAND LN
ISSAQUAH WA 98029-5298

CARD GAMES NON HOUSE-BANKED

AMERICAN LEGION 00043
00-08986 60-00459

701 MURDOCK ST
SEDRO WOOLLEY WA 98284

FOE 03041
00-00265 60-00551

6419 PIONEER HWY
STANWOOD WA 98292

MACDADDY'S PUB AND GRILL
00-24108 65-07500

415 W HASTINGS RD
SPOKANE WA 99218

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

MANUFACTURER REPRESENTATIVE

ANSARI, SAMEER Y
23-02988

BALLY TECHNOLOGIES
LAS VEGAS NV 89119

BORDEAUX, MICHAEL B
23-01372

AINSWORTH GAME TECHNOLOGY INC
LAS VEGAS NV 89118

COLICCI, MATTHEW R
23-02981

IGT
LAS VEGAS NV 89113

CUELLAR, GERRIT B
23-02989

EVERI PAYMENTS INC
LAS VEGAS NV 89113-2175

CUNHA, JOAO P
23-02991

IGT
LAS VEGAS NV 89113

DRANE, NATHANIEL J
23-02985

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

EDSALL, ETHAN J
23-02281

IGT
LAS VEGAS NV 89113

FROHLICH, ALEXANDER M
23-02982

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

HILL, SCOTT M
23-02977

BALLY TECHNOLOGIES
LAS VEGAS NV 89119

KALIYAMOORTHY, SATHISH KUMAR
23-01784

BALLY TECHNOLOGIES
LAS VEGAS NV 89119

MANCIA JIMENEZ, VICTOR M
23-02990

IGT
LAS VEGAS NV 89113

MATIAS, MICHELLE M
23-02993

IGT
LAS VEGAS NV 89113

MEROLA, ROBERTO
23-02987

VIDEO KING
OMAHA NE 68154

RODIS, HARRISON S
23-02984

BALLY TECHNOLOGIES
LAS VEGAS NV 89119

SELLS, CHRISTOPHER C
23-02992

EVERI GAMES INC.
AUSTIN TX 78746

SUBRAMANIAM, VASANTH K
23-02983

BALLY TECHNOLOGIES
LAS VEGAS NV 89119

PERSON'S NAME

EMPLOYER'S NAME

LICENSE NUMBER

PREMISES LOCATION

NEW APPLICATIONS**MANUFACTURER REPRESENTATIVE**SUNDARAMANI, ANBU RAJA
23-02979BALLY TECHNOLOGIES
LAS VEGAS NV 89119SWILLING, TIMOTHY K
23-02986ARIES TECHNOLOGY LLC
GROVE OK 74344-6251TORRES, GUADALUPE
23-02980EVERI PAYMENTS INC
LAS VEGAS NV 89113-2175**NON-PROFIT GAMBLING MANAGER**YBARRA, BRIANNE K
61-04711FOE 02218
CHELAN WA 98816**CARD ROOM EMPLOYEE**ALVAREZ, BRENDA
68-35399

B

RC'S AT VALLEY LANES
SUNNYSIDE WA 98944BOCKNESS, RENAE L
68-35397

B

EMERALD DOWNS
AUBURN WA 98001BROWN, ELYSE J
68-34208

B

SLO PITCH PUB & EATERY
BELLINGHAM WA 98225DEBOER, JEFFERY P
68-35389

B

LANCER LANES/REST AND CASINO
CLARKSTON WA 99403-2219DONG, THU A
68-05107

B

MACAU CASINO
TUKWILA WA 98188-2437GOFORTH, JARED M
68-35376

B

CLEARWATER SALOON & CASINO
EAST WENATCHEE WA 98802GRAVEL, KRISTEN A
68-35385

B

THE PALACE
LA CENTER WA 98629GUZMAN ASEVEDO, ROSA L
68-35400

B

NOB HILL CASINO
YAKIMA WA 98902HIGGINS, KAYLI C
68-35394

B

CHIPS CASINO/LAKEWOOD
LAKEWOOD WA 98499HOWE, JENNIFER C
68-20451

B

CLEARWATER SALOON & CASINO
EAST WENATCHEE WA 98802

PERSON'S NAME
 LICENSE NUMBER

EMPLOYER'S NAME
 PREMISES LOCATION

NEW APPLICATIONS

CARD ROOM EMPLOYEE

HUDSON, CHRISTOPHER L 68-35375	B	CLEARWATER SALOON & CASINO EAST WENATCHEE WA 98802
HUNTER, SHANAY 68-35395	B	CHIPS CASINO/LAKEWOOD LAKEWOOD WA 98499
JOHNSON, JAMES C 68-35383	B	LANCER LANES/REST AND CASINO CLARKSTON WA 99403-2219
JOHNSON, TIFFANY J 68-18992	B	THE PALACE LA CENTER WA 98629
LU, YUMEI 68-35392	B	RIVERSIDE CASINO TUKWILA WA 98168
MASANIAI, DONOVAN F 68-35390	B	ROMAN CASINO SEATTLE WA 98178
MC QUEEN, RICARDO C JR 68-35404	B	GREAT AMERICAN CASINO/TUKWILA TUKWILA WA 98168
MILLER, CALVIN J 68-35391	B	BLACK PEARL RESTAURANT & CARD SPOKANE VALLEY WA 99206-471
MOON, MELISSA E 68-35396	B	SLO PITCH PUB & EATERY BELLINGHAM WA 98225
NABEHET, JULIE K 68-09157	B	THE PALACE LA CENTER WA 98629
RAMIREZ, APRIL L 68-35379	B	PAPAS CASINO RESTAURANT & LOUN MOSES LAKE WA 98837
REESE, BRIAN D 68-34102	B	WIZARDS CASINO BURIEN WA 98166-2524
REYNOLDS, GUADALUPE J 68-35403	B	ROMAN CASINO SEATTLE WA 98178
ROCHE, JUSTIN T 68-35384	B	BLACK PEARL RESTAURANT & CARD SPOKANE VALLEY WA 99206-471
RONEY, SANDRA M 68-07874	B	GREAT AMERICAN CASINO/EVERETT EVERETT WA 98204
SAAD, NAPAPORN 68-16261	B	CARIBBEAN CARDROOM KIRKLAND WA 98034

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

CARD ROOM EMPLOYEE

SCHMIDT, APRIL D
68-26272

B

CRAZY MOOSE CASINO II/MOUNTLAK
MOUNTLAKE TERRACE WA 9804

SPANISH, MICHAEL R
68-35387

B

THE GETAWAY CASINO
WALLA WALLA WA 99362

STINSON, DERRICK L
68-22652

B

PAPAS CASINO RESTAURANT & LOUN
MOSES LAKE WA 98837

TORRES, LORENA
68-35398

B

RC'S AT VALLEY LANES
SUNNYSIDE WA 98944

TOUSSAINT, NATASHA C
68-35393

B

CHIPS CASINO/LAKEWOOD
LAKEWOOD WA 98499

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

CHEHALIS CONFEDERATED TRIBES

ABELLIRA, JACQUES V
69-47290

GUY, SAMANTHA M
69-47226

JAMIESON, ANDREW L
69-47224

SULLIVAN, DAVID L
69-47260

YANDRICH, BENJAMIN O
69-47225

COLVILLE CONFEDERATED TRIBES

GENDRON, OCTAVE C
69-47229

GOSS, TRISTAN L
69-47227

YALLUP, ANNIE JOE A
69-47228

KALISPEL TRIBE

BALDWIN, ROBERT A
69-47233

BLOOMFIELD, KATHERINE E
69-47259

CAMPBELL, CHRYSTAL H
69-44014

MATSON, DANNY L
69-16833

MORIN, ALEXANDRA A
69-47188

THULEAN, CHELSEA R
69-47234

WAGNER, MARIE E
69-47258

LUMMI NATION

CASTILLO, JOSE A
69-47308

CHAMPAGNE, APRIL A
69-47304

CULTEE, LORISSA A
69-47310

LUC, TAI B
69-32024

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

LUMMI NATION

NAVIN, KATHERINE D
69-47281

OGUNDEHINDE, TAYO
69-47271

ROUGHTON, DOUGLAS W
69-47309

MUCKLESHOOT INDIAN TRIBE

EAGLESPEAKER, APRIL D
69-47268

LAMANTINI, ANDREW P
69-47186

O'NEIL, COREY L
69-47235

RUSSELL, TAMIKA S
69-47236

SAMOEUN, MALENA V
69-47269

WARD, KIMBERLY A
69-47187

NISQUALLY INDIAN TRIBE

ALLON, ROBELYN A
69-47255

ANKETELL, PRESLEY J
69-47251

IKEBE, JADE N
69-47254

MONOHON, MICHELLE L
69-47253

OLIN, WESLEY J
69-06765

PATTON, NICHOLE S
69-47287

PELTIER, TOWANA M
69-11247

NOOKSACK INDIAN TRIBE

BOB, RUSSELL A
69-32043

CUELLAR, RALPH T
69-14492

ECCLESTON, GEORGE C
69-06180

LANE, MICHAEL S
69-18642

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

NOOKSACK INDIAN TRIBE

MAKUA, ELMER K
69-47182

MINAH MCKAY, KELLY L
69-47168

MINIO, TINA M
69-23109

NGUYEN, KHANG T
69-47181

PUYALLUP TRIBE OF INDIANS

AGREDA ZAPATA, VICTORIA E
69-47197

BROWN, MAHOGANY D
69-47282

CLAIBORNE, LLOYD R
69-47221

GALI, MICHAEL J
69-47215

GALLION, SHANE T
69-47192

GARDNER, JAMES D
69-47270

HINES, VICTORIA M
69-47240

HUDSON, LEON A JR
69-47222

HUSTER, LAWRENCE J
69-22619

KHENG, DAVY R
69-47191

LINCOLN, ERIC K
69-47275

LINDLEY, SHAUN E
69-47232

LY, NARY K
69-47199

MC LUCAS, MARCUS M
69-47273

SHELTON, ALISEN L
69-47274

SIMMONS-BALLESTEROS, ALEXANDER J
69-47200

SPRINGER, JULIAN R
69-47193

TAYLOR, VALERIE L
69-47190

WIGHTMAN, WENDY J
69-47198

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

QUINAULT NATION

WHISENHUNT, SABRINA S
69-47267

SKOKOMISH TRIBE

SAMPSON, WILLIAM P
69-47256

SPOKANE TRIBE

ANDREWS, TRISTON L
69-47208

CAMARILLO, CARIE E
69-47223

CASTRO-QUIROZ, RIGOBERTO
69-47239

COVINGTON, SHARLYN V
69-47284

HIGGINS, RONALD E
69-47210

JOHNSON, MELISSA R
69-47286

JOSEPH, RORY T
69-47283

LASTIMADO, ROBERT A
69-47209

SAULS, CHARLES K
69-47285

SQUAXIN ISLAND TRIBE

BROOKS, GUILLERMA L
69-47205

PENN, JOHN E
69-47158

PUCKETT, ALEXANDER R
69-47242

STILLAGUAMISH TRIBE

ARCHILA MACEIRA, ALEJANDRO
69-47230

COLLINS, WILLIAM J
69-47289

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

STILLAGUAMISH TRIBE

HAMLIN, JOHN L
69-40017

MALONE, CARMEN A
69-07594

MEHAFFEY, TIMOTHY B
69-47257

O'NEIL, RILEY J
69-47231

SUQUAMISH TRIBE

CASSIDY, CRISTON F
69-47311

SAFFERY, KAINOA B
69-47315

SPEARS, JERRY I
69-47216

SWINOMISH INDIAN TRIBAL COMMUNITY

PREVOST, SYDNEY R
69-47217

SKALABRIN, AMANDA B
69-47218

TANG, ZHI MING
69-47288

THE TULALIP TRIBES

ALVARADO, BAOYEN T
69-47296

ARBUCKLE, JANETTE A
69-31995

BERRYMAN, SARAH J
69-47247

BLUME, ROSE MARIE S
69-47203

DANIELS, JARED J
69-47246

DY, JELO M
69-47300

GOODALL, STEVIE R
69-30767

GREEN, MARION N
69-47202

HUDSON, RANDOLPH C
69-10325

LE, NGOC-KIEU T
69-47201

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

THE TULALIP TRIBES

LOPEZ, MARIAN MAY A
69-47297

MOREA, JUSTIN R
69-47298

NGO, THOAI-HUONG T
69-47204

NYGARD, BENJAMIN M
69-47299

QUACH, SHIRLEY M
69-47265

ROSEN, KEITH D
69-47278

SIMPSON, SJEABON R
69-09673

VEGA, ROSEANN M
69-47264

WENTZ, KELLY C
69-47220

WILLIAMS, VENIECE E
69-47241

ZACKUSE, KECIA'ANN L
69-47266

ZHONG, HUI
69-47248

UPPER SKAGIT INDIAN TRIBE

COLACINO, TADD D
69-47238



COMMISSION APPROVAL LIST
(Class III Gaming Employees)
September 2019

Index

	<u>PAGE</u>
COWLITZ CLASS III GAMING EMPLOYEES.....	1
SNOQUALMIE CLASS III GAMING EMPLOYEES.....	1

PAGES: 1

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

PERSON'S NAME
CERTIFICATION NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEES

COWLITZ INDIAN TRIBE

BARKER, SHANNON R
69-47276

CITRON, ALIKA K
69-47237

DELGADO JIMENEZ, ROSA L
69-47194

DUNMIRE, JEANNIE L
69-47219

HEDDLESTEN, MATTHEW D
69-47261

KEENEY, PAT O
69-47243

MOLYNEUX, KELLY R
69-47263

PATTERSON, DIANE P
69-47245

SCHNEIDER, DAVID M
69-47277

VAN HOLLEBEKE, ROY A
69-47244

WILKINS, SHEILA R
69-47214

SNOQUALMIE TRIBE

EIKER, KENDRA L
69-47195

JAMSHID, HUMA
69-47262

NUGENT, WESTERLING J
69-47280

QUINTANA, LISA M
69-47279



**STATE OF WASHINGTON
GAMBLING COMMISSION**

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

September 12, 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: Su-Zhen Wu – CR 2019-00620
Petition for Reconsideration – September 12, 2019 Commission Meeting**

You issued a final order revoking Licensee Su-Zhen Wu’s public card room employee license at your July 11, 2019 Commission Meeting. On July 30, 2019, Commission staff received a letter from Ms. Wu and we’re interpreting it as a Petition for Reconsideration under WAC 230-17-140.

Enclosed in your Commission Meeting packet is your July 11, 2019, final order and Ms. Wu’s Petition for Reconsideration.

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6
**STATE OF WASHINGTON
GAMBLING COMMISSION**

7 In the Matter of:

NO. CR 2019-00620

8 SU-ZHEN WU,
9 License No. 68-19478,

FINAL ORDER OF THE
GAMBLING COMMISSION

10
11 Licensee.

12 This matter having come before the Washington State Gambling Commission
13 (Commission) on July 11, 2019, the Commission makes the following Findings of Fact,
14 Conclusions of Law, and issues its Final Order:

15 **I. FINDINGS OF FACT**

16 1. The Washington State Gambling Commission issued Su-Zhen Wu License No.:
17 68-19478, authorizing Public Card Room activity at Fortune Casino in Renton, Washington.

18 2. This license, which expires on April 11, 2020, was issued subject to Ms. Wu's
19 compliance with state gambling laws and Commission rules.

20 3. Ms. Wu has been licensed since 2004.

21 4. On March 27, 2019, Ms. Wu completed her renewal application online.

22 5. Ms. Wu's gambling license application requires her to disclose all possible
23 criminal history.

24 6. The gambling license application also requires a signature indicating that all
25 information is submitted under penalty of perjury.

26 7. Ms. Wu did not disclose any criminal history.

FINAL ORDER OF THE
GAMBLING COMMISSION

1

IN RE: SU-ZHEN WU
NO. 2019-00620

Washington State Gambling Commission
4565 7th Avenue S.E., Lacey, WA 98503
P.O. Box 42400
Olympia, WA 98504

1 8. On January 31, 2019, Information and Probable Cause were filed in King County
2 Superior Court charging Ms. Wu with Violation of the Uniform Controlled Substances Act
3 (VUCSA) stating Ms. Wu unlawfully and feloniously manufactured marijuana.

4 9. On February 14, 2019, Ms. Wu was arraigned on the VUCSA charge.

5 10. When Ms. Wu submitted her gambling license application, she chose not to
6 disclose the above pending felony charge involving moral turpitude.

7 11. Director David Trujillo issued administrative charges on April 18, 2019 alleging
8 that Ms. Wu's actions constituted a violation of RCW 9.46.075 and WAC 230-03-085. Further,
9 that she could not show by clear and convincing evidence that she was qualified for licensure as
10 required by RCW 9.46.153(1), and that her actions warranted revocation of her license pursuant
11 to RCW 9.46.075(1), (2), (8), and (9), and WAC 230-03-085(1), (8), and (9)(a).

12 12. Ms. Wu was sent the charges by regular and certified mail on April 14, 2019 to
13 the last address the Gambling Commission had on file. The certified mail was returned on May
14 17, 2019.

15 13. Pursuant to WAC 230-17-010, a response was required to be received by the
16 Commission by May 13, 2019. To date, the Commission has received no communication from
17 Ms. Wu.

18 II. CONCLUSIONS OF LAW

19 1. Ms. Wu received proper notice of the April 18, 2019 charges via regular and
20 certified mail on April 18, 2019 pursuant to RCW 34.05.431, RCW 34.05.434, WAC 230-17-
21 005, WAC 230-17-010, and WAC 10-08-130.

22 2. The Commission can take final action against Ms. Wu's gambling license under
23 Case Number CR 2019-00620 pursuant to RCW 9.46.075, RCW 34.05.440(1), RCW 34.05.461,
24 and WAC 230-03-085.

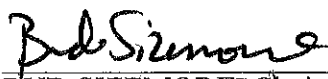
1 3. Ms. Wu's license should be revoked under Case Number CR 2019-00620
2 pursuant to RCW 9.46.075, RCW 9.46.153(1), RCW 34.05.440(1), RCW 34.05.461, and WAC
3 230-03-085.
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1 **ORDER**

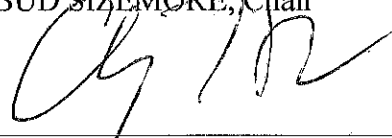
2 This matter having come before the Commission at its July 11, 2019, Commission
3 meeting, the Commissioners having heard arguments, been given the chance to review the
4 administrative record, and being fully advised in this matter, now therefore:


5 It is hereby **ORDERED** that Su-Zhen Wu's gambling license, Number 68-19478, is
6 **REVOKED.**


7
8 DATED this 11th day of July, 2019.

9 
10 BUD SIZEMORE, Chair

JULIA PATTERSON, Vice Chair

11 
12 CHRISTOPHER STEARNS


13 ED TROYER

14 
15 ALICIA LEVY

1 **NOTICE**

2 Reconsideration: RCW 34.05.470 and WAC 230-17-140 provide that a party may file a
3 petition for reconsideration of a final order. A petition for reconsideration must be received no
4 later than thirteen (13) days after the date this final order is mailed. Any motion for
5 reconsideration must state the specific grounds supporting the party's request for
6 reconsideration.

7 Stay of Final Order: Filing for reconsideration does not stay the effectiveness of this
8 Order. WAC 230-17-145 provides that a party may petition the Commission for a stay of a final
9 order. Any petition for a stay should be received by the Commission within thirteen (13) days
10 after the date this final order is mailed.

11 Judicial Review: RCW 34.05.542 provides that a party may appeal this final order by
12 filing a petition for judicial review within thirty (30) days after service of this order. A petition
13 for judicial review must be filed with the appropriate superior court and served upon both the
14 Commission and the Office of the Attorney General.

15 Service: This Order was served on you three days after it was deposited in the United
16 States Postal Service regular mail, excluding the date of mailing. WAC 230-17-035.

17 Any motions or petitions for judicial review should be served on or mailed to:

18 Washington State Gambling Commission
19 Legal and Records Division
20 4565 7th Avenue S.E., Lacey, WA
21 P.O. Box 42400
Olympia, WA 98504-2400

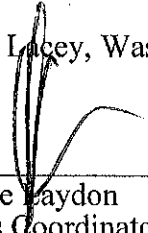
Kellen Wright
Attorney General's Office
1135 Washington St. SE
P.O. Box 40100
Olympia, WA 98504-0100

CERTIFICATE OF SERVICE

I certify that on the date below I served a copy of the foregoing document on all parties and/or their counsel by United States Postal Service regular mail to the following:

SU-ZHEN WU
3302 S BRANDON ST
SEATTLE, WA 98118

EXECUTED this 15 day of July, 2019, at Lacey, Washington.



Ashlie Laydon
Rules Coordinator

Dear Washington State Gambling Commission:

My name is Su-Zhen Wu, License No. 68-19478. For case No. CR 2019-00620.

I have not received your letter mailed on April 14, 2019. I think that is because I moved out 2 years ago.

I have not mention the pending charge because the renew License application did not mention anything like that and I forgot to mention it.

I am doing this professional job for 15 years. I love my job. I am very good citizen. Please give me a chance to continue my professional career . I really need my license back so I can work.

My current address is 2914 S Graham St, Seattle, WA 98108.

Thank you very much for your time.


Su-Zhen Wu

7/25/2019

WSGC
JUL 30 2019
RECORDS



**Washington State Gambling Commission
Program Review
40 et 8 Voiture 99**

**Part I
Licensing/Organization Information**

For Fiscal Year Ended
August 31, 2018

Name/Address
40 et 8 Voiture 99
7607 NE 26th Ave
Vancouver, WA 98665

MEMBERSHIP AND MANAGEMENT

300 Active voting members
4 Officers and 15 Board members
12 General membership meetings were held during the 2017/2018 fiscal year

ACTIVE LICENSES ISSUED BY GAMBLING COMMISSION

Description/Class	Exp. Date	License Number(s)
Bingo	03/31/2020	01-01397
Raffle	03/31/2020	02-08948
Non-profit pull tab	03/31/2020	05-01686
Social Card Room	03/31/2020	60-00518

Organizational Purpose and Structure

Statement of Purpose

Voiture Locale No. 99 (40 et 8) was established in 1920. Their stated purpose is to uphold and defend the United States Constitution, to promote the well-being of veterans and their widows and orphans, and to actively participate in selected charitable endeavors, which include programs that promote child welfare and nurse's training. Membership is by invitation for members of the American Legion who have shown exemplary service.

Charitable/Nonprofit Services

The primary programs of 40 et 8 are Nurse's Training, Youth Sports, and Veterans Assistance. During their 2018 fiscal year, 40 et 8 Voiture 99 expended over \$21,000 on the following programs:

- Americanism, Child Welfare, Community Services, POW/MIA, Youth Sports, and Veterans's assistance;
- Nursing Scholarships;
- Local Schools by giving shoes and socks through their child welfare program;
- Educating young people about America by giving "Flags to First Graders" along with a brief history of the flag;
- Donations to POW/MIA in support of veterans; and
- Organizing and providing bingo at the Vancouver Veteran's Hospital.


Part II Staff Findings

During our review of 40 et 8 Voiture 99, numerous steps were taken to ensure they are functioning in accordance with their Bylaws and continue to meet the definition of a charitable or nonprofit organization under the RCW. This was done in part by reviewing: board meeting minutes, program services, financial statements, internal controls, and payroll for reasonable wages, the use of funds and assets and contracts for reasonableness. We verified their programs exist and are being supported. During our review, we noted 40 et 8 failed to make significant progress toward their stated purpose. 40 et 8 requested and was granted a waiver as allowed by WAC 230-07-045.

Based on our review and their request for a waiver, we determined 40 et 8 Voiture 99 is suitable for continued licensure.

Prepared By:
Roger Sauve, Special Agent
Regulation Unit

Signature:



Date:

08/21/19



Tribal Community Contributions

September 12, 2019

SAS Dan Wegenast, SAS Keith Kam

Tribal Gaming Unit



Mission

“Protect the public by ensuring that gambling is legal and honest”

Tribal Contributions



WSGC Role:

Community Impact Committee
Accrual & Payment Verification

Community Impact Contributions

Up to **2%** of table game net receipts
Paid to government agencies impacted
by casino



Community Impact Process

Funds generated at table games (net receipts)

Casino's accounting dept. determines accrual amount

Casino sends accrual amount to Tribal Government

Accrual amounts audited by WSGC Tribal Gaming Unit (TGU)

Organizations apply for 2% community impact funds

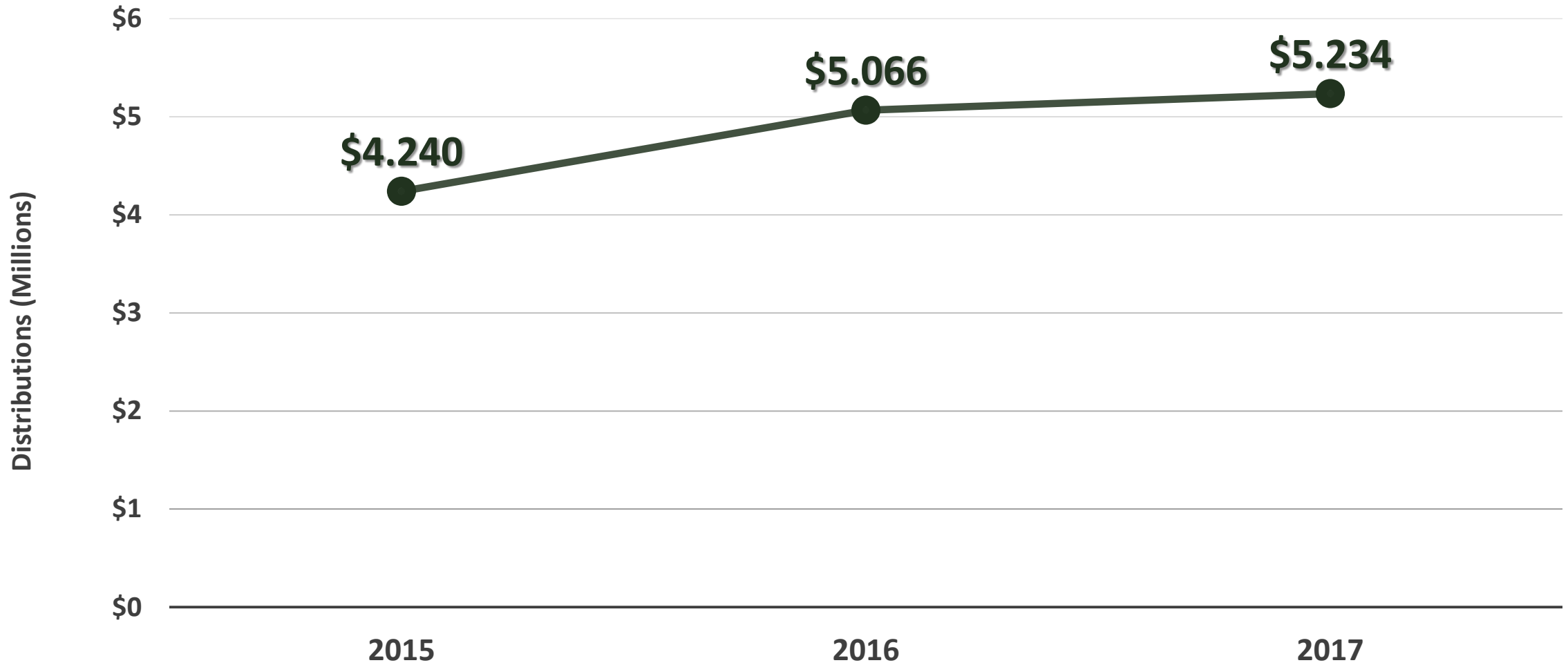
2% impact distribution decisions: committee or Tribe

Documented by council resolution or MOU/ financial agreement

Tribe sends checks to recipients

TGU staff verifies payments

Community Impact Funds Distributed



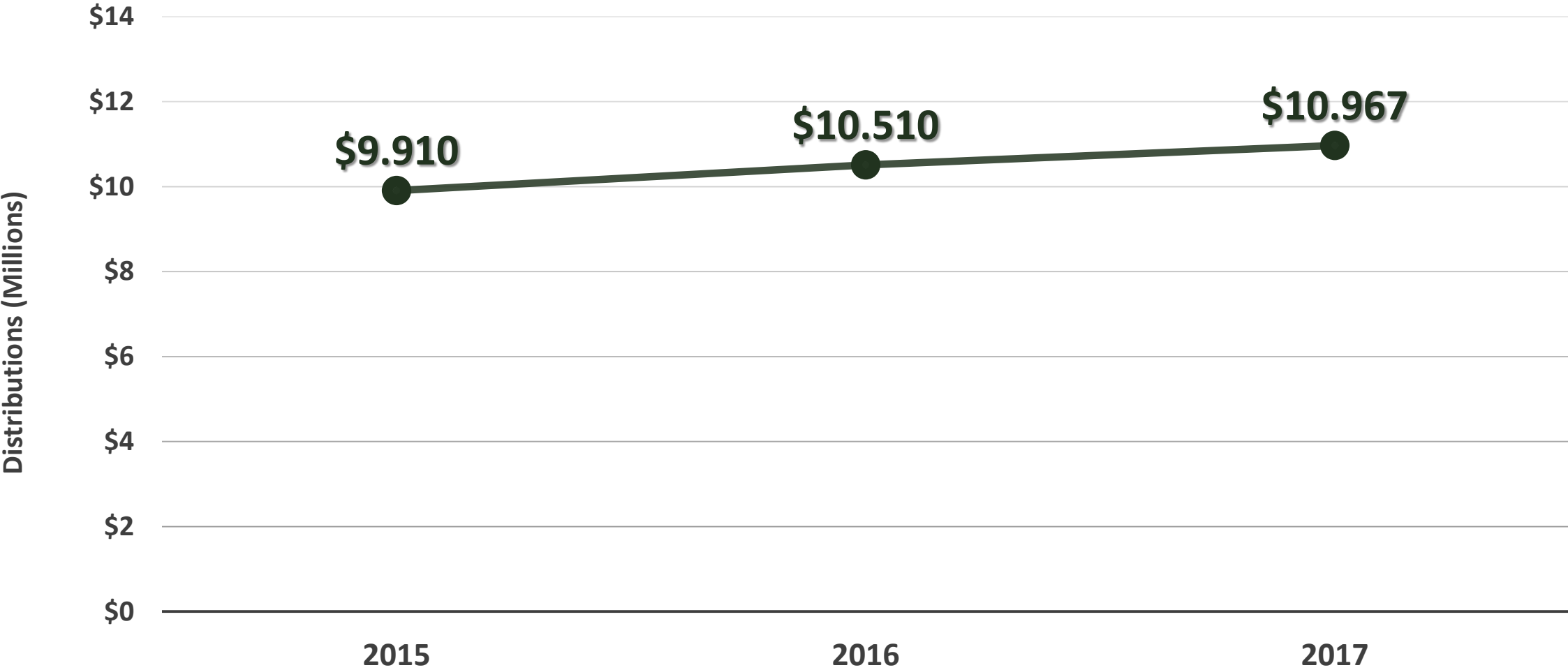
Charitable Distributions

0.5% of Tribal Lottery System (TLS)
net receipts

Paid to non-profit/charitable
organizations in WA



Charitable Distributions









Smoking Cessation Contributions

0.13% of Tribal Lottery System (TLS)
net receipts

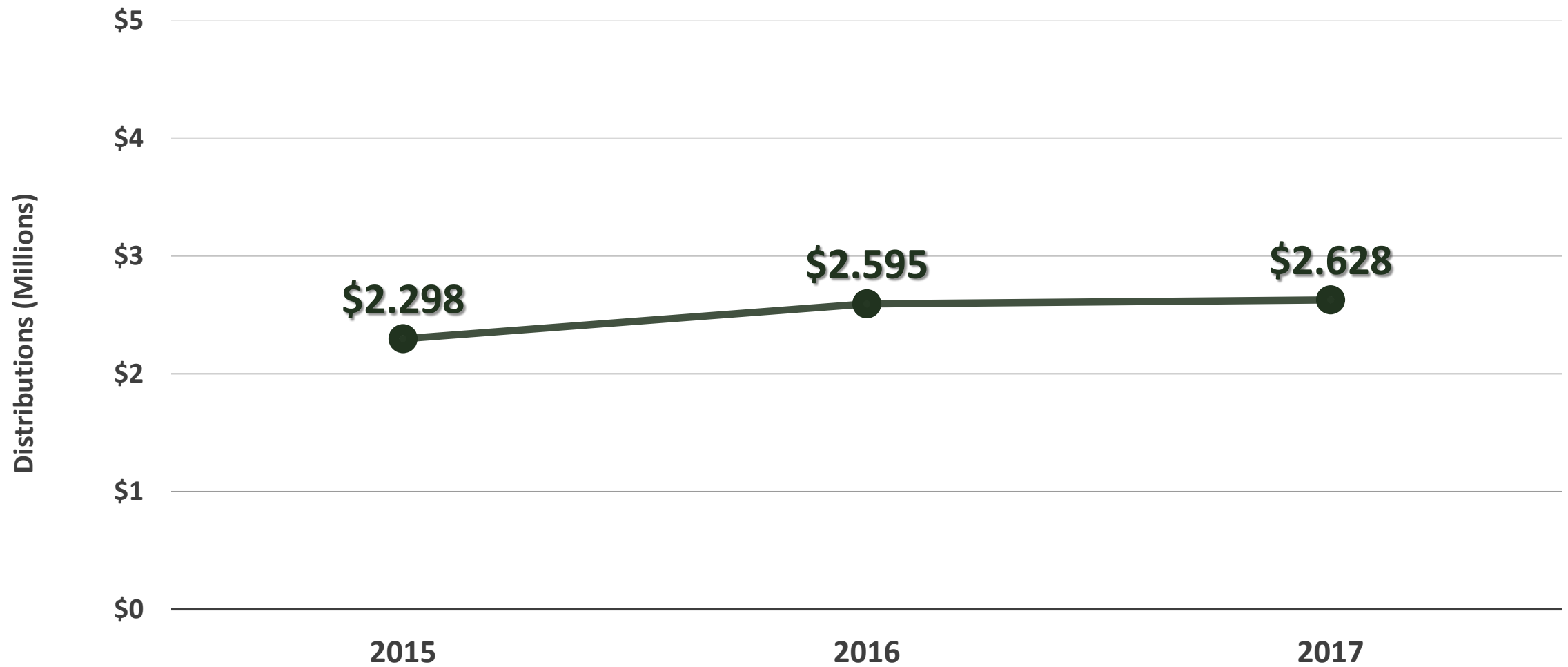
Paid to government or
non-profit/charitable orgs. in WA
Cessation, Prevention, Education,
Awareness, Treatment



**Smoking is prohibited
within 25 feet of
all building entrances.**

Thank you for not smoking.

Smoking Cessation Distributions



Problem Gambling Contributions

0.13% of Class III net receipts

Paid to government or
non-profit/charitable orgs. in WA

Education, Awareness, Treatment

ACRS



ASIAN COUNSELING
and REFERRAL SERVICE

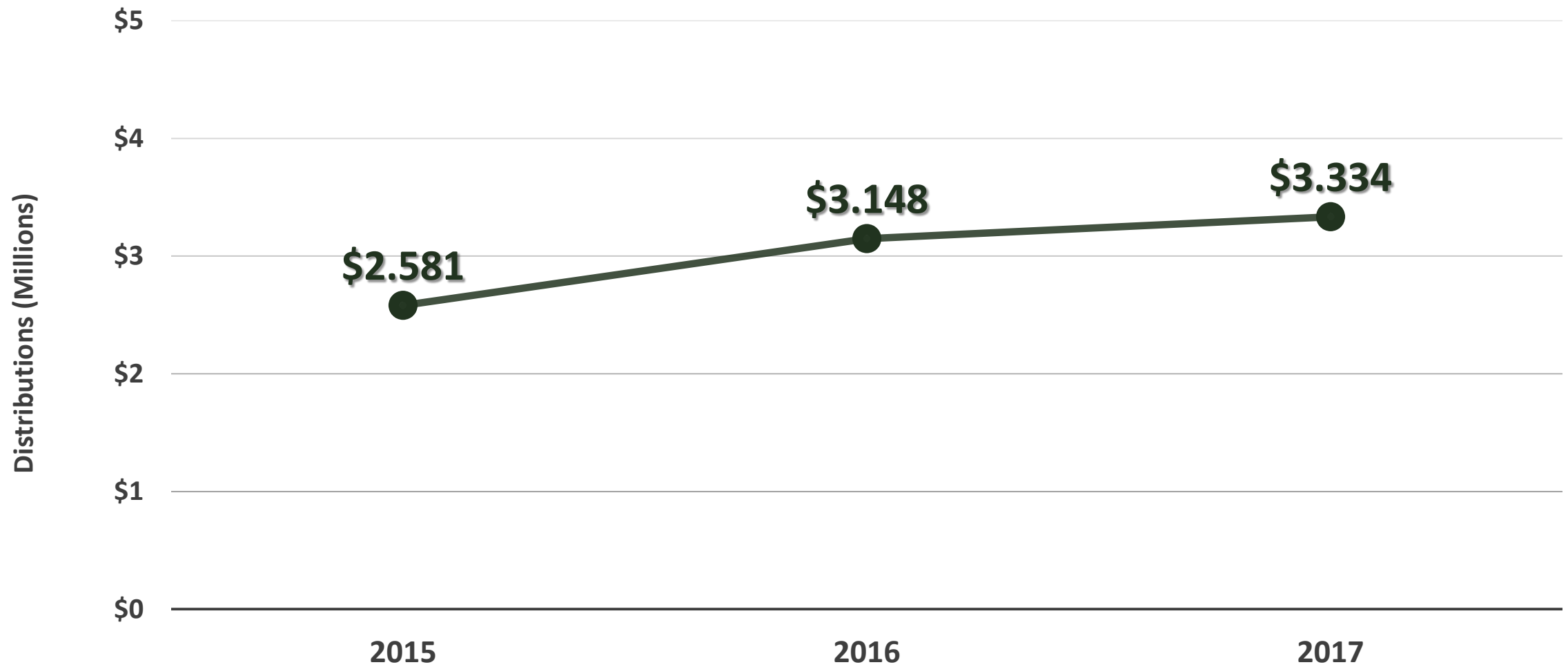


EVERGREEN

Council on Problem Gambling

Treatment. Training. Awareness.

Problem Gambling Distributions





Questions?

SAS Dan Wegenast, SAS Keith Kam
Tribal Gaming Unit





Rule Petition to Adopt

WAC 230-11-013- Conducting a raffle by a credit union.
 WAC 230-03-146- Applying for a raffle license by a credit union.

September, 2019 – Discussion and Possible Filing
April, 2019 – Petition to Initiate Rule-Making

Tab 5: SEPTEMBER, 2019 Commission Meeting Agenda.	Statutory Authority 9.46.070
Who Proposed the Rule Change?	
Washington State Gambling Commission Staff	
Background	
<p>At the February, 2019 Commission Meeting, Commissioners directed staff to approve Numerica Credit Union for a raffle license. At that time, staff was also directed to draft rules to allow credit unions to obtain a raffle license.</p> <p>In April, 2019, the Commission began issuing licenses to credit unions when Numerica Credit Union received its gambling license. The license was issued pursuant to RCW 9.46.0209(2)(a) and consistent with the purpose of RCW 9.46.0315. However, current raffle and licensing rules do not distinguish credit unions from nonprofits even though there are some organizational structural differences than those identified in RCW 9.46.0209(1). Additionally, current raffle rules need minor changes to clarify how credit unions can offer members-only raffles consistent with RCW 9.46.0209(2) and RCW 9.46.0315.</p> <p>Attachments:</p> <ul style="list-style-type: none"> • WAC 230-11-013 • WAC 230-03-146 	
Stakeholder Outreach	
Draft rule language was sent to Numerica Credit Union for review on August 14, 2019.	
Staff Recommendation	
Staff recommends filing the proposed language for further discussion.	

NEW SECTION

WAC 230-11-013 Conducting a raffle by a credit union. The following requirements apply when a credit union organized and operating under state or federal law conducts a raffle:

(1) All revenue received from raffles, less prizes and expenses, must be devoted to purposes authorized in RCW 9.46.0209(1); and

(2) Tickets for such raffles can be sold only to, and winners are determined only from among, the regular members of the credit union; and

(3) All recordkeeping requirements outlined in this chapter must be met; and

(4) A license must be obtained if gross revenues from all such raffles held by the credit union during a calendar year exceed five thousand dollars.

NEW SECTION

WAC 230-03-146 Applying for a raffle license by a credit union.

Credit unions may apply for a raffle-credit union license to operate raffles, as authorized under RCW 9.46.0209(2) and 9.46.0315. The credit union must provide:

(1) Proof they are currently a federally or state chartered credit union located in Washington and are in good standing; and

(2) Official meeting minutes of the organization for the last twelve months demonstrating they are in the business for nongambling purposes; and

(3) A listing of the names of the director, board chair, and board as defined in WAC 208-400-020; and

(4) A section in their bylaws or their articles of incorporation guaranteeing that, if the organization is dissolved, all raffle revenues less prizes and expenses must be distributed to a charitable and nonprofit organization as set out in RCW 9.46.0209(1); and

(5) A listing of the charitable and nonprofit organizations as set out in RCW 9.46.0209(1) receiving all raffle revenues less prizes and expenses; and

(6) Any additional information requested by us.



Rule Petition to Amend

WAC 230-06-035- Credit, loans, or gifts prohibited.

September, 2019 – Commission Petition Review

August, 2019 – Petition to Initiate Rule-Making

Tab 6: SEPTEMBER, 2019 Commission Meeting Agenda.

Statutory Authority 9.46.070

Who Proposed the Rule Change?

Steven Berven, Richland, Washington

Background

The petitioner is proposing to amend WAC 230-06-035, Credit, loans, or gifts prohibited. The petitioner requests subsection (3) of this rule be amended to allow for the use of credit cards as another method of payment and allow pull-tab operators to extend credit up to \$200.

Originally adopted in 1973 as WAC 230-12-050. No credit, loans, or gifts was allowed and participation in a gambling activity must be paid in full, by cash or check. A single exception was made for punch boards or pull-tabs when consideration is five dollars or less.

The rule has been amended as follows:

1974	Allow bona fide charitable or nonprofit organization members to be billed without paying full consideration upfront to participate in a licensed gambling activity if the organization’s billing system is approved by the Commission.
1989	Allow the full consideration exception for punch boards and pull-tabs to be raised from five dollars to ten dollars or less.
1995	Allow for the following: <ul style="list-style-type: none"> • Charitable or nonprofit organizations to use credit cards for payment of raffle tickets; • Card rooms to give promotional gifts to customers for free or provided discounted food, drink, and/or merchandise; • Offering promotions, performances, and entertainment during bingo games, free play and “free rolls” during card tournaments, and promotional game cards.
1997	Allow electronic point-of-sale bank transfers as a method of payment.
2001	Allow nonprofits to provide free or discounted food and nonalcoholic drinks players.
2004	Include a definition of “gifts” and requirements for giving gifts and promotions.
2006	Allow gift certificates and gift cards as a method of payment.

Currently, tribal-state compacts allow patrons to use credit cards for payment for wagers at tribal casinos. However, tribal-state compacts prohibit tribal operators from extending credit to patrons.

Attachments:

- Petition
- WAC 230-06-035
- WAC 230-14-047
- Stakeholder Feedback

Stakeholder Outreach

This petition was sent to all organizations that currently hold a gambling license. Six stakeholders are supportive of this petition because credit cards are a common method of payment, there is an ability for increased revenue, use of credit cards adds convenience of paying a tab for food/beverage and gambling activities, and some licensees would like to accept credit cards for the payment of bingo cards.

- Dagmar Cronin, South Park Senior Citizens
- Dan McCoy, McCoy's Distributing, Inc.
- Douglas Granstrand, Bill's Place/Granstrands Ent
- Duane B. Lusby, Loyal Order of Moose
- Jason Lajeunesse, Comet Tavern
- Wayne Larson, 13th Avenue Pub

Eight stakeholders are opposed to this petition because it does not accurately reflect sales on credit card bills (for instance, if a player purchases \$15 worth of food and beverage and \$40 worth of pull-tabs, it reflects on the credit card bill that the business made a \$55 profit, when in reality, the player may have won back that \$40 through play), a 3-5% transaction fee is charged to the business for use of credit cards, possibility of the card being declined after play, nonprofit organizations do not possess a point-of-sale system to accept payment by credit card, concerns that it may reduce overall sales, it adds costs to an already declining past time, and it may contribute to problem gambling.

- Barbara Jones, White Horse Saloon
- Chris Schumacher, ShuJack's Bar & Grill
- Donald Whittington, American Legion 00015
- Frances Staley, Maxi's Restaurant
- Pete Grignon, United Way of Pierce County
- Melissa Patterson, Parrot Heads of Puget Sound
- Robert Cameron, Old Highway 99 Saloon
- Thom Gamble, Creekside Alehouse and Grill

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.

If you consider accepting the petition, Commission staff recommend the use of credit cards be authorized for all licensed gambling activities but deny allowing the extension of any amount of credit by the operator. Also, staff recommends rule-making to consider amending these rules related to the use of checks because staff and agents have had many check-kiting complaints and conducted several check kiting investigations and these issues could be addressed by amending our rules.

Lastly, staff recommends reviewing WAC 230-06-035 and WAC 230-14-047, Standards for electronic video pull-tab dispensers, during rule-making if the petition is accepted.

From: dan.heisel@watech.wa.gov on behalf of [WSGC Web](#)
To: [Rules Coordinator \(GMB\)](#)
Subject: Request a Rule Change Submission from wsgc.wa.gov
Date: Tuesday, July 23, 2019 9:40:03 AM

Submitted on Tuesday, July 23, 2019 - 9:39am
Submitted by anonymous user: 97.90.66.13
Submitted values are:

Petitioner's Name: Steven Berven
Mailing Address: 3880 W Van Giesen
City: West Richland
State: Wa
Zip Code: 99353
Phone: 5093664651
Email: stevenberven@gmail.com

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

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

List rule number (WAC) if known: WAC 230-06-035

I am requesting the following change:

Change #3 to:

Gambling activity must be paid in full at the time the customer closes out their bill. Bills must be closed out before customers leave the licensed area.

Gambling activity bills must not exceed \$200 without being closed out.

Licensee must collect cash, check, gift certificates, gift cards, credit card, or electronic point of sale bank transfer.

This change is needed because:

Credit cards have become a principal means of commerce for most people. They no not carry cash. Ten years ago, use of credit as a means of payment represented less than 5% of business. Today, use of credit cards represents well over 50% of our business.

When an operator accepts a credit card , they are not loaning money to the cardholder; The operator is paid in full.

People use credit cards instead of debit cards because of the fraud and theft protection the credit card companies offer on them.

The same protections are not offered on most debit cards. Debit card payments are not able to be back-charged if there is a problem

Credit cards are a much more reliable means of payment than checks.

The effect of this rule change will be: It will allow customers to pay for pull tabs in the same manner they pay for their food, beverages and other goods.

The results of this submission may be viewed at:
<https://www.wsgc.wa.gov/node/18/submission/1030>

WAC 230-06-035 Credit, loans, or gifts prohibited. (1)

Licensees, employees, or members must not offer or give credit, loans, or gifts to any person playing in an authorized gambling activity or which makes it possible for any person to play in an authorized gambling activity.

(2) Gifts are items licensees give to their customers.

Licensees must not connect these gifts to gambling activities we regulate unless the gifts are:

(a) Gambling promotions; or

(b) Transportation services to and from gambling activities; or

(c) Free or discounted food, drink, or merchandise which:

(i) Costs less than five hundred dollars per individual item; and

(ii) Must not be traded back to you for cash; and

(iii) Must not give a chance to participate further in an authorized gambling activity.

(3) Gambling activity must be paid in full at the time the customer closes out their bill. Bills must be closed out before customers leave the licensed area. Gambling activity bills must

~~not exceed \$200 without being closed out. You must collect the price required to participate in the gambling activity in full before allowing someone to participate.~~ Licensees must collect cash, check, gift certificate, gift card, credit card, or electronic point-of-sale bank transfer.

(4) If the price paid for the opportunity to play a punch board or pull-tab series is ten dollars or less, licensees may collect the price immediately after the play is completed.

(5) If a charitable or nonprofit organization has a regular billing system for all of the activities of its members, it may use its billing system in connection with the playing of any licensed activities as long as the organization limits play to full and active members of its organization.

(6) Charitable or nonprofit organizations may allow credit cards, issued by a state regulated or federally regulated financial institution, for payment to participate in raffles.

[Statutory Authority: RCW 9.46.070. WSR 07-21-116 (Order 617), § 230-06-035, filed 10/22/07, effective 1/1/08; WSR 06-17-132 (Order 601), § 230-06-035, filed 8/22/06, effective 1/1/08.]

WAC 230-14-047

Standards for electronic video pull-tab dispensers.

Electronic video pull-tab dispensers must be approved by us prior to use.

(1) Electronic video pull-tab dispensers must dispense a paper pull-tab as defined in WAC [230-14-010](#) and follow the rules for:

- (a) Pull-tabs; and
- (b) Flares; and
- (c) Authorized pull-tab dispensers.

(2) Electronic video pull-tab dispensers that use a reading and displaying function must:

- (a) Use a video monitor for entertainment purposes only; and
- (b) Open all, or a portion of, the pull-tab in order to read encoded data that indicates the win or loss of the pull-tab if the dispenser is equipped to automatically open pull-tabs; and
- (c) Dispense the pull-tab to the player and not retain any portion of the pull-tab; and
- (d) Read the correct cash award from the pull-tab either when it is dispensed or when the pull-tab is reinserted into the dispenser; and
- (e) Display the cash award from the pull-tab, one pull-tab at a time; and
- (f) Provide:
 - (i) An electronic accounting of the number of pull-tabs dispensed; and
 - (ii) A way to identify the software version and name; and
 - (iii) A way to access and verify approved components; and
 - (iv) Security on the dispenser to prevent unauthorized access to graphic and prize amount displays.

(3) Cash cards used in electronic video pull-tab dispensers must:

(a) Be purchased with cash, check, gift certificates, or electronic point-of-sale bank transfer before use in the dispenser; and

(b) Be convertible to cash at any time during business hours; and

(c) Subtract the purchase price of the pull-tab one pull-tab at a time.

(4) Electronic video pull-tab dispensers that accept cash cards may award any pull-tab cash prize of twenty dollars or less onto the cash card.

From: barbarawjones@aol.com
To: [Laydon, Ashlie \(GMB\)](#)
Subject: Re: WSGC - Notice of Rule Petition
Date: Monday, August 5, 2019 1:52:56 PM
Attachments: [image005.png](#)
[image003.png](#)

Hello Ashlie, I am not supportive of this bill. It would put my credit card balance as an earning for me when the person playing pull tabs may receive many "play backs" winning tickets which would not be reflected on the credit card bill. For example if I have a charge for food and beverage of \$15.00 that is profit to me. If the Gambler adds an additional 50.00 to his bill it would appear I have a \$65.00 profit when the Gambler may have won much or some of the money back. I may be mistaken in my reasoning but if one doesn't have the money to gamble I cannot see charging for something that is merely meant for entertainment. This would also add more risk to problem Gamblers buy not limiting their spending.

Barbara Jones
White Horse Saloon
Arlington, Washington

-----Original Message-----

From: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>
Sent: Mon, Jul 29, 2019 4:09 pm
Subject: Washington State Gambling Commission - Notice of Rule Petition



Good afternoon,

This email is to inform you that the Washington State Gambling Commission has received the attached petition for rulemaking. [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 September 12th Commission Meeting in Olympia, Washington. More details regarding the September 12th meeting can be found [here](#). The agenda and materials should be posted approximately a week prior to the meeting.

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
P.O. Box 42400 | Olympia, WA 98504-2400
 (360) 486-3473 |  ashlie.laydon@wsgc.wa.gov

From: [Chris Schumacher](#)
To: [Laydon, Ashlie \(GMB\)](#)
Subject: RE: Washington State Gambling Commission - Notice of Rule Petition
Date: Monday, July 29, 2019 6:34:42 PM
Attachments: [image003.png](#)
[image005.png](#)

Not sure, even if this passes, I will allow credit card use in my bar for pull tabs. It's a time consuming hassle in our busy atmosphere and there is a 3-5% transaction fee. What if they rack up a \$200 "tab" and the card is rejected?

Chris Schumacher
ShuJack's Bar and Grill

From: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>
Sent: Monday, July 29, 2019 5:08 PM
Subject: Washington State Gambling Commission - Notice of Rule Petition

Good afternoon,

This email is to inform you that the Washington State Gambling Commission has received the attached petition for rulemaking. [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 September 12th Commission Meeting in Olympia, Washington. More details regarding the September 12th meeting can be found [here](#). The agenda and materials should be posted approximately a week prior to the meeting.

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Feel free to contact me if you have any questions.

Ashlie Laydon

Rules Coordinator | Legal and Records Division
Washington State Gambling Commission
P.O. Box 42400 | Olympia, WA 98504-2400
☎ (360) 486-3473 | ✉ ashlie.laydon@wsgc.wa.gov



From: [Dagmar Cronn](#)
To: [Laydon, Ashlie \(GMB\)](#); [Patricia Barker](#); [Ray Krueger](#)
Subject: Re: Washington State Gambling Commission - Notice of Rule Petition
Date: Monday, July 29, 2019 6:14:27 PM
Attachments: [image003.png](#)
[image005.png](#)

The South Park Senior Citizens nonprofit corporation supports the petition to allow bingo players to pay for their game cards with credit card payments. We would like to be able to accept credit cards to pay for Bingo playing cards as it is awkward for players to preregister for other costs and to require cash at the door for the game cards. Thank you for passing this statement on to the Gambling Commission.

On Mon, Jul 29, 2019 at 5:08 PM Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov> wrote:

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Ashlie Laydon

Rules Coordinator | Legal and Records Division

Washington State Gambling Commission

P.O. Box 42400 | Olympia, WA 98504-2400

☎ (360) 486-3473 | ✉ ashlie.laydon@wsgc.wa.gov



Washington State
GAMBLING
COMMISSION

Protect the public by ensuring that gambling is legal and honest.



--

Dagmar Cronn
Treasurer, South Park Senior Center
8201 10th Ave S. - #4
Seattle, WA 98108-4449
206-767-2544 (office)
206-327-1828 (cell)

From: dan.heisel@watech.wa.gov on behalf of [WSGC Web](#)
To: [Rules Coordinator \(GMB\)](#)
Subject: Request for Public Comment Submission from wsgc.wa.gov
Date: Sunday, August 11, 2019 1:39:20 PM

Submitted on Sunday, August 11, 2019 - 1:39pm
Submitted by anonymous user: 50.35.156.105
Submitted values are:

Select a Topic: Petition for Rule Change: Credit, loans and gifts
Name: Dan McCoy
Organization: McCoy's Distributing, Inc.
Comments:
To: Ashlie Laydon
Rules Coordinator | Legal and Records Division
Washington State Gambling Commission,

I consider the reasoning behind the Petition to amend WAC 230-06-035, which prohibits credit, loans and gifts to be a viable and legitimate argument. Today, the use of credit cards is how many, if not most people pay for everything they do. I support the removal of the rule restricting credit cards from being used to pay for gambling activities as I believe it is an outdated restriction and should be removed.

Thank you,

Dan McCoy
McCoy's Distributing, Inc.
mccoysdis@gmail.com

The results of this submission may be viewed at:
<https://wsgc.wa.gov/node/19/submission/1076>

From: [Donald Whittington](#)
To: [Laydon, Ashlie \(GMB\)](#)
Subject: RE: Washington State Gambling Commission - Notice of Rule Petition
Date: Monday, July 29, 2019 6:40:39 PM
Attachments: [image003.png](#)
[image005.png](#)

We are a non profit business and have no Pos machine for transacting credit cards. Customers pay cash and use an Atm machine on the premesis for gambling transactions.

Sent from [Mail](#) for Windows 10

From: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>
Sent: Monday, July 29, 2019 5:08:07 PM
Subject: Washington State Gambling Commission - Notice of Rule Petition

Good afternoon,

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Feel free to contact me if you have any questions.

Ashlie Laydon

Rules Coordinator | Legal and Records Division
Washington State Gambling Commission
P.O. Box 42400 | Olympia, WA 98504-2400
☎ (360) 486-3473 | ✉ ashlie.laydon@wsgc.wa.gov



From: dan.heisel@watech.wa.gov on behalf of [WSGC Web](#)
To: [Rules Coordinator \(GMB\)](#)
Subject: Request for Public Comment Submission from wsgc.wa.gov
Date: Tuesday, July 30, 2019 2:50:28 PM

Submitted on Tuesday, July 30, 2019 - 2:50pm
Submitted by anonymous user: 69.55.222.180
Submitted values are:

Select a Topic: Petition for Rule Change: Credit, loans and gifts
Name: Douglas H Granstrand
Organization: Bill's Place / Granstrands Ent
Comments: I am in favor of allowing payment for a gambling tab via credit card.

The results of this submission may be viewed at:
<https://wsgc.wa.gov/node/19/submission/1048>

From: dan.heisel@watech.wa.gov on behalf of [WSGC Web](#)
To: [Rules Coordinator \(GMB\)](#)
Subject: Request for Public Comment Submission from wsgc.wa.gov
Date: Tuesday, July 30, 2019 11:22:40 AM

Submitted on Tuesday, July 30, 2019 - 11:22am
Submitted by anonymous user: 73.109.41.237
Submitted values are:

Select a Topic: Petition for Rule Change: Credit, loans and gifts

Name: Duane B. Lusby

Organization: loyal order of Moose

Comments: I agree with this petition. It will make more money for each establishment which means more tax income for the State. win win

The results of this submission may be viewed at:
<https://wsgc.wa.gov/node/19/submission/1047>

From: frances@maxischineserestaurant.com
To: [Laydon, Ashlie \(GMB\)](#)
Subject: Re: Washington State Gambling Commission - Notice of Rule Petition
Date: Monday, July 29, 2019 6:54:12 PM

We oppose to the rule change for allowing credit card as legal tender in gambling (especially in individual small business). Even though establishments get their money right a way in form credit (through credit card), the gambling individual still gambling on borrowed money, and may gambled away beyond their ability to repay their debt.

Thank you

Frances

Maxis Restaurant.

From: [Jason Lajeunesse](#)
To: [Laydon, Ashlie \(GMB\)](#)
Subject: Re: Washington State Gambling Commission - Notice of Rule Petition
Date: Monday, July 29, 2019 8:54:14 PM

Ashlie, as a business owner who carries several gambling licenses for the sole purpose of selling pull tabs, I agree that this rule should be amended and updated to reflect the times we live in

Jason Lajeunesse

sent from cellular
206-850-3075

On Jul 29, 2019, at 5:08 PM, Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov> wrote:

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Feel free to contact me if you have any questions.

Ashlie Laydon

Rules Coordinator | Legal and Records Division

Washington State Gambling Commission

P.O. Box 42400 | Olympia, WA 98504-2400

☎ (360) 486-3473 | ✉ ashlie.laydon@wsgc.wa.gov

[<image001.jpg>](#)

[<image002.gif>](#) [<image003.png>](#) [<image004.jpg>](#) [<image005.png>](#)

[<Petition.pdf.pdf>](#)

From: [linda davey](#)
To: [Laydon, Ashlie \(GMB\)](#)
Cc: [Pat Rudd](#)
Subject: Re: Washington State Gambling Commission - Notice of Rule Petition
Date: Saturday, August 3, 2019 7:06:52 AM
Attachments: [image003.png](#)
[image005.png](#)

Pat and I oversee a very small bingo operation in a senior center. We don't feel qualified to comment.

Thank you,
Linda Davey
Pat Rudd

From: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>
Sent: Monday, July 29, 2019 5:08 PM
Subject: Washington State Gambling Commission - Notice of Rule Petition

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Ashlie Laydon

Rules Coordinator | Legal and Records Division
Washington State Gambling Commission
P.O. Box 42400 | Olympia, WA 98504-2400
☎ (360) 486-3473 | ✉ ashlie.laydon@wsgc.wa.gov



From: [Pete Grignon](#)
To: [Laydon, Ashlie \(GMB\)](#)
Subject: RE: Washington State Gambling Commission - Notice of Rule Petition
Date: Tuesday, July 30, 2019 2:31:27 PM
Attachments: [image003.png](#)
[image005.png](#)

Hello Ashlie,

It appears they are thinking of pull tabs only? If so, there are quite a few lower income individuals that buy pull tabs with cash. So, I am wondering if it would reduce overall sales. That would be my concern.

Thanks for letting me comment.

Pete

Pete Grignon | Sr. VP Finance/CFO

United Way of Pierce County | 1501 Pacific Ave, Suite 400 | Tacoma, WA 98402
253-597-7486 (Direct) | 253-272-4263 (Main)

From: Laydon, Ashlie (GMB) [mailto:ashlie.laydon@wsgc.wa.gov]
Sent: Monday, July 29, 2019 5:08 PM
Subject: Washington State Gambling Commission - Notice of Rule Petition

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

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Ashlie Laydon

Rules Coordinator | Legal and Records Division
Washington State Gambling Commission
P.O. Box 42400 | Olympia, WA 98504-2400

(360) 486-3473 | ashlie.laydon@wsgc.wa.gov



Washington State
GAMBLING
COMMISSION

Protect the public by ensuring that gambling is legal and honest.



From: [PHoPS Treasurer](#)
To: [Laydon, Ashlie \(GMB\)](#)
Subject: Re: Washington State Gambling Commission - Notice of Rule Petition
Date: Monday, August 5, 2019 2:47:58 PM
Attachments: [image003.png](#)
[image005.png](#)

Hi Ashlie,

I would agree that people use credit cards more often than cash. The issue I see is that credit cards have handling fees which vary depending on the contracts involved. The seller will not receive 100% of the proceeds.

Melissa

On Mon, Jul 29, 2019 at 5:09 PM Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov> wrote:

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Ashlie Laydon

Rules Coordinator | Legal and Records Division

Washington State Gambling Commission

P.O. Box 42400 | Olympia, WA 98504-2400

☎ (360) 486-3473 | ✉ ashlie.laydon@wsgc.wa.gov



Washington State
GAMBLING
COMMISSION

Protect the public by ensuring that gambling is legal and honest.



--

Melissa Patterson

PHoPS Treasurer

treasurer@phops.com

phopstreasurer@gmail.com

Parrot Heads of Puget Sound



www.phops.com (Seattle)

"Northwest Latitudes, Laid Back Attitudes"

From: [Robert Cameron](#)
To: [Laydon, Ashlie \(GMB\)](#)
Subject: Re: Washington State Gambling Commission - Notice of Rule Petition
Date: Monday, July 29, 2019 7:40:46 PM
Attachments: [image003.png](#)
[image005.png](#)

Hi Laydon, thank you for the copy of the letter, Ugh! Where to start with how bad of an idea I feel this is, this change would put all off the burden on the rest/bars that sell pull tabs, the cc fees would add cost to an already declining past time and what happens when somebody's credit card comes up declined? I feel the way the State regulates the sale of pull tabs today is the best way to insure that we as the business owners don't get screwed out of more money. my gut tells me the person who is making this request has never played pull tabs and has definitely never sold pull tabs. I also feel this would help create a bigger gambling problem and encourage people to unintentionally overspend with the State being the only entity to profit. Thank you, Robert Cameron

On Mon, Jul 29, 2019 at 5:08 PM Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov> wrote:

Good afternoon,

This email is to inform you that the Washington State Gambling Commission has received the attached petition for rulemaking. [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 September 12th Commission Meeting in Olympia, Washington. More details regarding the September 12th meeting can be found [here](#). The agenda and materials should be posted approximately a week prior to the meeting.

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

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From: [Thom Gamble](#)
To: [Laydon, Ashlie \(GMB\)](#)
Subject: Re: Washington State Gambling Commission - Notice of Rule Petition
Date: Friday, August 2, 2019 5:15:13 PM
Attachments: [image003.png](#)
[image005.png](#)

I am opposed to this requested change. Margins are small enough on Pull Tab sales after all taxes, fees etc. are paid. The credit card companies also charge for processing the credit card payments, as well as our Merchant Service providers. ATM's are provided in most establishments for gamblers to draw funds from their personal accounts, i.e. debit cards, or credit lines, i.e. credit card. A stop payment dispute can easily be placed on a credit card payment, say if a person has buyers remorse after losing. Cash limits what the gambler can spend while a credit card would be like a blank check to a person with a gambling problem.

Thom Gamble
Creekside Alehouse and Grill
Lake Stevens, WA 98258
425-397-0860

On Mon, Jul 29, 2019 at 5:11 PM Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov> wrote:

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Feel free to contact me if you have any questions.

Ashlie Laydon

Rules Coordinator | Legal and Records Division

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From: [Wayne Larson](#)
To: [Laydon, Ashlie \(GMB\)](#)
Subject: Re: Washington State Gambling Commission - Notice of Rule Petition
Date: Tuesday, July 30, 2019 11:13:50 AM

I totally agree at 13th Ave. pub and eatery 90% of our sales are by credit card I firmly agree with this change thank you

Sent from my iPhone

On Jul 29, 2019, at 5:08 PM, Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov> wrote:

Good afternoon,

This email is to inform you that the Washington State Gambling Commission has received the attached petition for rulemaking. [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 September 12th Commission Meeting in Olympia, Washington. More details regarding the September 12th meeting can be found [here](#). The agenda and materials should be posted approximately a week prior to the meeting.

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

P.O. Box 42400 | Olympia, WA 98504-2400

☎ (360) 486-3473 | ✉ ashlie.laydon@wsgc.wa.gov

[<image001.jpg>](#)

[<image002.gif>](#) [<image003.png>](#) [<image004.jpg>](#) [<image005.png>](#)

[<Petition.pdf.pdf>](#)



**STATE OF WASHINGTON
GAMBLING COMMISSION**

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

September 12, 2019

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

FROM: Jim Nicks, Special Agent in Charge, Regulatory Unit

SUBJECT: Rocky Mountain Elk Foundation Request to Exceed \$300,000 Limit in Raffle Prizes Paid during the License Year Ending December 31, 2019

Background:

Our rules require licensees to get your approval prior to offering raffle prizes that exceed \$300,000 in a license year, WAC 230-11-067.

To seek that approval, the licensee must submit a raffle plan that includes:

- (a) The organization's goals for conducting raffles; and
- (b) A brief overview of the licensee's mission and vision including the type of programs supported by the licensee and clients served; and
- (c) Plans for selling raffle tickets; and
- (d) Brief overview of prizes awarded; and
- (e) Estimated gross gambling receipts, expenses, and net income for the raffles; and
- (f) Any other information that we request or any information the licensee wishes to submit.

Request for Your Approval:

Rocky Mountain Elk Foundation is seeking your approval to offer raffle prizes exceeding \$300,000 during their current license year which ends on December 31, 2019.

Staff recommends you approve Rocky Mountain Elk Foundation's request to exceed the annual raffle prize limit of \$300,000 for their license year January 1, 2019 - December 31, 2019.

Attachments



ROCKY MOUNTAIN ELK FOUNDATION

August 15, 2019

Washington State Gambling Commission
Attention: Jim Nicks, Special Agent in Charge
4565 7th Avenue SE
Lacey, WA 98503
Jim.nicks@wsgc.wa.gov

RE: Rocky Mountain Elk Foundation (00-11750) request to exceed \$300,000 limit in Raffle prizes paid in the January 1, to December 31, 2019 license year.

Dear Mr. Nicks:

Please accept this letter as the Rocky Mountain Elk Foundation's (RMEF) request to exceed the \$300,000.00 prize limit for raffle prizes pursuant to WAC 230-11-067(3) for the license year January 1, 2019 to December 31, 2019. RMEF's mission is to ensure the future of elk, other wildlife, their habitat and our hunting heritage. RMEF does this through habitat enhancement and conservation, research and education. To accomplish its mission RMEF relies heavily on its fundraising system which features Big Game Banquets that include auctions and raffles. RMEF raffles are legal, fair and responsible. Allowing this waiver will allow RMEF to continue its mission and to put more money "on the ground" in Washington.

At the beginning of 2019, the RMEF State Leadership Team for Washington, composed of Washington volunteers and residents, had at their disposal \$440,000.00 to spend in the State of Washington for the fulfillment of RMEF mission and the betterment of Washington lands and wildlife. For the 2019 license year, RMEF expects gross gambling receipts of approximately \$770,000.00 with estimated prizes of \$340,000.00 and an estimated net income of \$430,000.00. As is evidenced by the numbers provided, RMEF fundraising is efficient and therefore allows a large portion of the money raised to remain in the state for the benefit of its residents.

The Washington State Gambling Commission has approved RMEF's request for a waiver of the annual raffle prize limit in prior years, and RMEF is grateful for the Commission's support and consideration.

Thank you for considering approving this request. An approved request will allow RMEF to increase its ability to fulfill its mission which benefits Washington State habitat, animals and people.

If any other additional information is needed or you have any questions, please feel free to contact me at (406) 523-3480 or at ethomas@rmef.org

Sincerely,

Elliot Thomas
Compliance
Rocky Mountain Elk Foundation

**Rocky Mountain Elk Foundation Inc.
WA Raffle Plan –Request to Exceed \$ 300,000 Limit in Raffle Prizes Paid During License
Year. January 1, 2019 to December 31, 2019**

- **(1) The organization's goals for conducting raffles**

The Rocky Mountain Elk Foundation conducts raffles in the state of Washington to raise funds to support our mission. Raffles are an important facet of RMEF's diverse fundraising efforts, which include auctions, membership and dues sales, merchandising, and charitable solicitation. RMEF's goal is to continue fundraising efforts in the state of Washington in order to support additional land protection, public access and habitat enhancement projects.

- **(2) A brief overview of the licensee's mission and vision including the type of programs supported by the licensee and clients served**

The mission of the Rocky Mountain Elk Foundation is to ensure the future of elk, other wildlife, their habitat and our hunting heritage.

In support of our mission, the RMEF is committed to: conserving, restoring and enhancing natural habitats; promoting the sound management of wild elk, which may be hunted or otherwise enjoyed; restoring elk to their native ranges; and educating members and the public about habitat conservation and our hunting heritage

Acres Protected and Enhanced

More than 7.3 million acres

Number of Acres Opened and/or Secured for Public Access for Hunting and Other Outdoor Recreation

More than 1.2 million acres opened and/or secured

Number of Permanent Land Protection, Habitat Stewardship, Elk Restoration, Conservation Education and Hunting Heritage Projects

More than 11,000 projects

Number of Members: More than 227,500

Number of Chapters: More than 500 in the United States

Number of Volunteers More than 11,000

The statistics above give a succinct picture of what RMEF accomplishes nationwide with support from members, volunteers along with local, state and federal agencies. However, it would be remiss of RMEF to not show the commission what we are able to do in Washington with that same support particularly from Washington-based members, volunteers, and support from local and state agencies.

In the last few years, RMEF has put over \$1.4 million dollars on the ground to benefit the people of the State of Washington. Everything from funding youth days for kids to get in the

outdoors, to helping fund a poaching information reward for the WDFW, to reinvigorating elk and other animal habitats through planting native flora and working on removal of invasive flora species. RMEF has used money raised by raffles in Washington, to take on even larger projects such as funding a study of elk and related habitat enhancement on the Upper Snoqualmie Valley.

A prime example of using gaming funding for public benefit in Washington was the purchase of the Merrill Lake property. RMEF, in partnership with WDFW and other private and public organizations, purchased the former timberland property, permanently protecting and providing public access to 1,453 acres of critical riparian habitat at the foot of Mount St. Helens. RMEF has conveyed the acreage to WDFW for public ownership and management.

This is not the only large-scale Washington project that RMEF is working on with state agency partners. In addition to Merrill Lake, RMEF purchased in the last quarter of 2018 conveyed the Tucannon property to WDFW to hold and manage. In the past, RMEF has also worked to convey property the US Forest Service, in order to provide better public access to existing public lands and protect vital wildlife habitat.

Large-scale projects that benefit all the people of Washington are only possible with help from gaming funds raised in Washington being leveraged with other fund-raising and major private gifts to RMEF.

It is also important to remember that each year a committee made up of Washington RMEF volunteers and representation from RMEF HQ decide, based on proposals, of how to spend funds specifically earmarked to be used in Washington each year. In fact this year that committee will have \$444,000 to use in benefiting the people, animals, and habitat in Washington. Some examples of past proposals founded are below.

- Projects that educate members and the public about habitat conservation, the value of hunting, hunting ethics, and/or wildlife management.
- Scholarships to natural history or outdoor skills programs, such as Becoming an Outdoors-Woman.
- Membership in or sponsorship of state-based organizations associated with the National Assembly of Sportsmen's Caucuses.
- Outdoor skills programs including shooting, survival, and hunting skills programs.
- Teaching tools for youth educators (e.g., elk and wildlife trunks).
- Marketing tools and activities directly related to the support and promotion of RMEF's mission including exhibits, booths, displays, public relations, promotional materials and sponsorship.

- **(3) Plans for selling raffle tickets**

RMEF chapters in Washington sell raffle tickets in face to face transactions by volunteers throughout the state. Each chapter typically conducts numerous raffles which are drawn at an

annual event, called the Big Game Banquet, as well as other smaller events and raffles that may occur from time to time. RMEF volunteers will also sell raffle tickets at various businesses in each chapter's area, at Big Game Banquets and at other events. Advertising for chapter events will take place via email, on RMEF's website, through RMEF's bi-monthly magazine (Bugle) and through a variety of local publications and signage.

- **(4) Brief overview of prizes awarded**

Various merchandise including redeemable certificates for firearms through a federally licensed FFL dealer, sporting goods, outdoors equipment, home goods, gift certificates, hunting and fishing trips.

- **(5) Estimated gross gambling receipts, expenses, and net income for the raffles**

Estimated gross gambling receipts: \$770,000.00

Estimated gross expenses (expenses include raffle prizes, printing, advertising, and other legally allowable expenses): \$340,000

Estimated net income (Gross gambling receipts less prizes paid): \$430,000.00

- **(6) Any other information that we request or any information the licensee wishes to submit.**

Rocky Mountain Elk Foundation legal staff and Regional Directors continue to meet with chapter chairs, state chairs, and volunteers in order to provide training on the importance of complying with Washington charitable gaming laws, record keeping requirements and the conduct of charitable raffles. RMEF staff and volunteers remain committed to conducting raffles in Washington, in a lawful and transparent manner.

RMEF is providing this raffle plan in order to better inform the Washington Gambling Commission of RMEF's raffle activities and charitable works in the state. RMEF requests that the Commission grant RMEF permission to exceed the \$300,000 raffle prize limit for the 2019 license year. If the Commission determines that a new prize limit is advisable, RMEF suggests a limit of \$500,000 for the 2019 license year.

RMEF is grateful to the Committee for their time and effort in considering this petition.

Agency Request Legislation #1

Amendment to RCW 9.46.0209

Qualifications to be a bona fide charitable or non profit organization



STATE OF WASHINGTON
GAMBLING COMMISSION

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

Agency Name: Washington State Gambling Commission

Agency Contact: Brian Considine, Managing Attorney / Legislative Liaison, 360-486-3469

Short Title: Amending types of charitable and nonprofit organizations qualified to engage in gambling activities

Introduction

In 1973, the legislature adopted Chapter 9.46, the Gambling Act. The legislature stated, "The public policy of the state of Washington on gambling is to keep the criminal element out of gambling and to promote the social welfare of the people by limiting the nature and scope of gambling activities and by strict regulation and control (RCW 9.46.010)." The Gambling Commission was created (RCW 9.46.040) and its powers and duties enumerated in RCW 9.46.070.

The legislature also declared that "the raising of funds for the promotion of bona fide charitable or nonprofit organizations is in the public interest as is participation in such activities and social pastimes as are hereinafter in this chapter authorized."

RCW 9.46.070 authorizes the five-member Gambling Commission to issue annual licenses for charitable/nonprofit organizations. Specifically, RCW 9.46.070(1) authorizes the Commission to issue licenses permitting bona fide charitable or nonprofit organizations to, in relevant part, conduct raffles, bingo games, social card games, amusement games, and utilize punch boards and pull tabs.

RCW 9.46.0209(1)(a)(i) sets forth several requirements that charitable and nonprofit organizations must meet in order to be allowed to receive a gambling license and/or engage in gambling activities. These organizations must:

- Be organized under Washington State law as a: religious organization (corporation sole); grange; fraternal society; agricultural fair; or a nonprofit corporation organized for eleven purposes, including charitable, benevolent, or civic purposes;
- Have been in continuous operation for at least twelve calendar months prior to applying for a license or engaging in a gambling activity; and
- Demonstrate to the Commission that the organization has made significant progress toward the accomplishment of its charter during the previous twelve calendar months prior to application or license renewal.

The Legislature indicates that the failure for contributions to an organization to qualify as a charitable contribution deduction or that the organization is not otherwise exempt from

payment of federal income taxes is evidence that the organization is not charitable in nature and should not be considered qualified under the Gambling Act.

The eleven purposes a nonprofit can be organized for in RCW 9.46.0209(1)(a)(i) is an exclusive list and has not been changed since enactment of the Gambling Act in 1973. Although this list has not been amended since 1973, other laws regulating charitable organizations have evolved, including charitable purposes that will allow a nonprofit organization qualify for 501(c)(3) federal tax exemption status or be registered as a state charity with the Secretary of State's Office under RCW 19.09, the Charitable Solicitations Act.

However, this section has been amended three times since 2000 to allow for credit unions, combined fund drive, and cities and counties to be considered a bona fide charitable or nonprofit organization for limited raffle opportunities.

The Gambling Commission believes the current regulatory frame work prevents fraudulent organizations from engaging in gambling activities. However, it also prevents some charitable organizations or organizations who have a IRS 501(c)(3) tax exempt status from being qualified. Therefore, the Gambling Commission requests approval to modify the qualifications in RCW 9.46.0209(1)(a)(i) to ensure certain charitable and nonprofit organizations can qualify and make a change to the requirements in RCW 9.26.0209(2) to clarify the agency's licensing authority based on recent administrative case decision made by the agency's Commissioners.

Statement of Need

This request is tied to the Governor's Priorities of having Healthy and Safe Communities and Efficient, Effective, and Accountable Government. The Gambling Commission is a limited jurisdiction law enforcement agency and the only statewide agency devoted to gambling regulation, licensing and enforcement. The Gambling Commission is a non-appropriated agency and does not receive any general fund dollars. Therefore, it must meet its regulatory obligations by setting fees to generate funds necessary to cover all costs of licensing and enforcement.

In the past few years, agency staff has needed to expend significant resources on processing and defending licensing application denials for charitable or nonprofit organizations who believed they should be allowed to receive a gambling license under RCW 9.46.0209. Many of these organizations appear to meet the legislative intent of allowing charitable and nonprofit organizations to receive gambling licenses under the Gambling Act. However, their identified purposes did not meet the exclusive list of purposes identified in RCW 9.46.0209(1)(a)(i). One significant example is Seattle University who is organized for both approved purposes and non-approved purposes.

Adding RCW 19.09, the Charitable Solicitations Act and the purposes of "religious" and "scientific" better aligns the Gambling Act with our state charity laws. These changes also better aligns our Gambling Act with purposes that are approved for 501(c)(3) federal tax exemption status.

These changes will allow the Gambling Commission to be more effective and efficient with its licensing and enforcement resources and better meet its core mission of protecting the public by ensuring that gambling is legal and honest in Washington State.

Additionally, adding language that the agency can issue licenses to credit unions and combined fund drive organizations clarifies the agency's licensing authority in response to an administrative decision made by the agency's Commissioners in the past year.

Lastly, the primary laws and rules utilized by the Gambling Commission to prevent fraudulent organizations from engaging in gambling activities and ensure that organizations put their gambling revenues towards their stated purposes remains intact. All qualified charitable and nonprofit organizations will continue to be strictly regulated and must continue to follow all regulatory requirements under the Gambling Act and Commission rules.

Therefore, making these minor changes to align state and federal charity laws to allow some organizations to receive gambling licenses is in the best interest of the state and the Gambling Commission. Further, these changes will provide some needed clarity to the Gambling Act, allow respected local charities and nonprofits to raise money for projects and services that help Washingtonians, and allow the Gambling Commission to be more effective and efficient in regulating charitable and nonprofit organizations engaged in gambling activities.

A summary of the major provisions of the bill and their impact on current law.

Amending the bona fide charitable or nonprofit definition to include organizations registered under RCW 19.09, the Charitable Solicitations Act, as an additional type of organization allowed to conduct gambling activities. The amendment also adds two additional organizational purposes of religious and scientific as approved purposes for an organization to be considered a bona fide charitable or nonprofit organization. Lastly, the bill clarifies that the Gambling Commission can issue a raffle license to a credit union or combined fund drive organization.

Names, titles, and phone numbers of subject matter experts in your agency who are available to answer policy and fiscal questions related to the proposed bill.

Brian Considine, Managing Attorney / Legislative Liaison, (360) 486-3469,
Brian.Considine@wsgc.wa.gov

David Trujillo, Director, (360) 486-3446, Dave.Trujillo@wsgc.wa.gov

Tina Griffin, Assistant Director, (360) 486-3546, Tina.Griffin@wsgc.wa.gov

Jennifer LaMont, Agent in Charge, Licensing Unit, (360) 486-3571,
Jennifer.Lamont@wsgc.wa.gov

Chris Stanley, Chief Financial Officer, (360)486-3489, christopher.stanley@wsgc.wa.gov

A complete list of all other government agencies affected by the bill, a summary of their positions, and each agency's representative who may be contacted on the issue. If no other government agency is affected, please indicate.

No other state agencies would be affected by this agency request legislation.

Irrespective of whether a bill has a fiscal impact, a completed fiscal note from each of the affected state agency(s) including local government.

Attached.

Stakeholder analysis that includes a complete list of affected stakeholders as well as tribal governments. For each, provide the entities names, contact person and any concerns and position.

The Gambling Commission sent an email to over 800 charitable and nonprofit organizations that are licensed by the agency. We received approximately twelve responses and none were opposed to this legislation.

This proposal was also presented to the agency's Commissioners at the Gambling Commission's August and September 2019 public meeting with stakeholders and licensees in attendance.

Lastly, the Gambling Commission sent notice, along with the proposed amendment to RCW 9.46.0209, to the following asking for a response by Tuesday, August 27, 2019:

- Seattle University, Jordan Talge, Associate University Counsel, Supports the proposal (attached);
- Washington Nonprofits, David Streeter, Director of Public Policy and Advocacy, Supports the proposal (attached). Also, suggests broader changes to the Gambling Act not under consideration at this time.
- Secretary of State's Office, Patrick Reed, Public and Government Affairs Manager, Neutral but provided feedback on RCW 19.09 and how they regulate entities registered under this statute;
- Recreational Gaming Association, Dolores Chiechi, Executive Director; No response at this time
- Washington Indian Gaming Association, Rebecca Kaldor, Executive Director; No response at this time; and
- Washington State Bar Association, Business Section, Nonprofit Corporations Committee, Judith Andrews, Chair, No response at this time.

An official Code Reviser draft of the proposed legislation containing the Z-draft number.

Attached, Z-0563.2.

AAG review.

AAG Suzanne Becker has completed a review of the proposal.

Agency's Decision Package.

N/A

BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: Z-0563.2/19 2nd draft

ATTY/TYPIST: CL:eab

BRIEF DESCRIPTION: Concerning nonprofit organizations.

1 AN ACT Relating to nonprofit organizations; and amending RCW
2 9.46.0209.

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

4 **Sec. 1.** RCW 9.46.0209 and 2017 c 133 s 1 are each amended to
5 read as follows:

6 (1)(a) "Bona fide charitable or nonprofit organization," as used
7 in this chapter, means:

8 (i) Any organization duly existing under the provisions of
9 chapter 24.12, 24.20, or 24.28 RCW, any agricultural fair authorized
10 under the provisions of chapters 15.76 or 36.37 RCW, or any nonprofit
11 corporation duly existing under the provisions of chapter 19.09 or
12 24.03 RCW for charitable, benevolent, eleemosynary, educational,
13 civic, patriotic, political, religious, scientific, social,
14 fraternal, athletic, or agricultural purposes only, or any nonprofit
15 organization, whether incorporated or otherwise, when found by the
16 commission to be organized and operating for one or more of the
17 aforesaid purposes only, all of which in the opinion of the
18 commission have been organized and are operated primarily for
19 purposes other than the operation of gambling activities authorized
20 under this chapter; or

1 (ii) Any corporation which has been incorporated under Title 36
2 U.S.C. and whose principal purposes are to furnish volunteer aid to
3 members of the armed forces of the United States and also to carry on
4 a system of national and international relief and to apply the same
5 in mitigating the sufferings caused by pestilence, famine, fire,
6 floods, and other national calamities and to devise and carry on
7 measures for preventing the same.

8 (b) An organization defined under (a) of this subsection must:

9 (i) Have been organized and continuously operating for at least
10 twelve calendar months immediately preceding making application for
11 any license to operate a gambling activity, or the operation of any
12 gambling activity authorized by this chapter for which no license is
13 required; and

14 (ii) Demonstrate to the commission that it has made significant
15 progress toward the accomplishment of the purposes of the
16 organization during the twelve consecutive month period preceding the
17 date of application for a license or license renewal. The fact that
18 contributions to an organization do not qualify for charitable
19 contribution deduction purposes or that the organization is not
20 otherwise exempt from payment of federal income taxes pursuant to the
21 internal revenue code of 1954, as amended, shall constitute prima
22 facie evidence that the organization is not a bona fide charitable or
23 nonprofit organization for the purposes of this section.

24 (c) Any person, association or organization which pays its
25 employees, including members, compensation other than is reasonable
26 therefor under the local prevailing wage scale shall be deemed paying
27 compensation based in part or whole upon receipts relating to
28 gambling activities authorized under this chapter and shall not be a
29 bona fide charitable or nonprofit organization for the purposes of
30 this chapter.

31 (2) For the purposes of RCW 9.46.0315 and 9.46.110, a bona fide
32 nonprofit organization (~~(also)~~) can be licensed by the commission and
33 includes:

34 (a) A credit union organized and operating under state or federal
35 law. All revenue less prizes and expenses received from raffles
36 conducted by credit unions must be devoted to purposes authorized
37 under this section for charitable and nonprofit organizations; and

38 (b) A group of executive branch state employees that:

1 (i) Has requested and received revocable approval from the
2 agency's chief executive official, or such official's designee, to
3 conduct one or more raffles in compliance with this section;

4 (ii) Conducts a raffle solely to raise funds for either the state
5 combined fund drive, created under RCW 41.04.033; an entity approved
6 to receive funds from the state combined fund drive; or a charitable
7 or benevolent entity, including but not limited to a person or family
8 in need, as determined by a majority vote of the approved group of
9 employees. No person or other entity may receive compensation in any
10 form from the group for services rendered in support of this purpose;

11 (iii) Promptly provides such information about the group's
12 receipts, expenditures, and other activities as the agency's chief
13 executive official or designee may periodically require, and
14 otherwise complies with this section and RCW 9.46.0315; and

15 (iv) Limits the participation in the raffle such that raffle
16 tickets are sold only to, and winners are determined only from, the
17 employees of the agency.

18 (3) For the purposes of RCW 9.46.0277, a bona fide nonprofit
19 organization also includes a county, city, or town, provided that all
20 revenue less prizes and expenses from raffles conducted by the
21 county, city, or town must be used for community activities or
22 tourism promotion activities.

--- END ---

August 6, 2019



VIA U.S. MAIL AND EMAIL to brian.considine@wsgc.wa.gov; ashlie.laydon@wsgc.wa.gov

Mr. Brian Considine
Legal and Legislative Manager
Washington State Gambling Commission
P.O. Box 42400
Olympia, WA 98504

Re: Washington State Gambling Commission Amendment Proposal

Dear Mr. Considine:

Seattle University supports the Washington State Gambling Commission's proposed draft legislation amending RCW 9.46.0209. This commonsense legislation would align the Washington State Gambling Act's qualifications for bona fide charitable organizations with the commonly used qualifications listed in Section 501(c)(3) of the Internal Revenue Code.

To qualify as a tax-exempt nonprofit organization under Section 501(c)(3) of the Internal Revenue Code, an organization must be organized for "charitable, religious, educational, [or] scientific" purposes. Tracking these explicit federal qualifications, hundreds of nonprofit corporations across Washington—including Seattle University—define their exclusive organizational purposes as "charitable, religious, educational, or scientific."

Only two of these federal qualifications appear in the Washington State Gambling Act, however. The Washington State Gambling Act recognizes bona fide charitable or nonprofit organizations as those whose purposes include only the following: "charitable, benevolent, eleemosynary, educational, civic, patriotic, political, social, fraternal, athletic or agricultural." Because the Washington State Gambling Act does not list "religious" or "scientific" as qualifying purposes, the statute could be read to exclude hundreds of qualified nonprofits from participating in activities such as fundraising raffles simply because those nonprofits list the federal nonprofit purposes of "charitable, religious, educational, [or] scientific" in their articles of incorporation.

The Commission's proposed legislation would eliminate this problem by adding "religious" and "scientific" to the gambling act's list of qualified nonprofit purposes. This is an appropriately limited change that will have a positive effect on bona fide charitable organizations across the state. Seattle University appreciates the Commission's attention to this important issue and looks forward to the enactment of the draft legislation.

Best Regards,


Jordan Talge
Associate University Counsel



WASHINGTON NONPROFITS

We make sure nonprofits have what they need to succeed.

August 26, 2019

Washington State Gambling Commission
ATTN: Ashlie Laydon
PO Box 42400
Olympia, WA 98504

Dear Ms. Laydon,

Thank you very much for requesting stakeholder feedback on proposed legislative amendments to RCW 9.46.0209 -- Bona fide charitable or nonprofit organization. Washington Nonprofits, our state's association for all nonprofits, fully supports the proposed changes.

We agree that adopting charitable and nonprofit classifications from state and federal law is a necessary step that will help both license seekers and the Gambling Commission. We are pleased that the Gambling Commission expects that this change will make the licensing process easier for everyone involved.

We are also pleased that the Gambling Commission is proposing changes that would allow more organizations to conduct licensed and authorized fundraisers to support their missions. Nonprofits are working tirelessly across our state to provide services and build community. This is an important step that will help more organizations raise money to support their work.

In addition to our supportive feedback on the proposal, we would like to submit two recommendations for the determination criteria contained in Sections 1(b)(i) and (ii) regarding length of the organization's existence and work toward mission fulfillment.

For Section 1(b)(i), we recommend that the Gambling Commission use the charities database currently hosted and maintained by the Office of the Secretary of State, since all nonprofits are required to register with the office and report annually.

For section 1(b)(ii), we recommend the Gambling Commission work with stakeholders to establish objective criteria for determining "significant progress toward the accomplishment of the purposes of the organization" if it is going to keep this clause in the RCW. We recommend this because we do not believe that the Gambling Commission's role is to determine "significant progress toward the accomplishment of the purposes of the organization," since it leads into questions outside of the Gambling Commission's expertise. One item that could fulfill this requirement is an organization's federal IRS Form 990, which contains a brief summary of the organization's work for a given year. We consider this to be appropriate documentation since the IRS has the explicit power to approve and dissolve tax-exempt nonprofit organizations.

Lastly, we request that the Gambling Commission clarify the language in Section 1(b)(ii) regarding non-tax-exempt organizations, which appears in the current RCW. Many nonprofit organizations are only registered as nonprofit corporations in the eyes of Washington State but not the IRS. We are concerned that these types of organizations could be disqualified from receiving a license because they are not registered with the IRS. Is that the Gambling Commission's intent? Are there accommodations that could be made for organizations not registered with the IRS but registered with Washington State? And if so, what process would an organization need to undertake in order to receive a license without registering with the IRS?

I am planning to attend the hearing on September 12, 2019 to learn more about the proposal and offer testimony. Please feel free to contact me in advance of the Gambling Commission Hearing if Washington Nonprofits can provide additional information to you, or if we can provide advocacy to support these changes during the legislative session.

Thank you very much,

A handwritten signature in black ink, appearing to read "David Streeter", with a stylized flourish at the end.

David Streeter
Director of Public Policy and Advocacy

Individual State Agency Fiscal Note

Bill Number: Z-0563.2	Title: An Act Relating to nonprofit organizations	Agency: 117-Washington State Gambling Commission
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Operating Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 09/05/2019
Agency Preparation: Christopher Stanley	Phone: 360-486-3489	Date: 09/05/2019
Agency Approval: Christopher Stanley	Phone: 360-486-3489	Date: 09/05/2019
OFM Review:	Phone:	Date:

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 1 of the proposed bill expands the Gambling Act to align the definition of nonprofit organization to the federal tax code.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

It is unknown how many additional licensees would result from this legislation. Because fees are dependent on gross gambling income levels, it is also unknown how much revenue would be derived from these licensees.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

It is unknown how many additional licensees would result from this legislation, therefore licensing and regulation costs are also unknown.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.



Bob Ferguson
ATTORNEY GENERAL OF WASHINGTON
Government Compliance & Enforcement Division
PO Box 40100 • Olympia, WA 98504-0100 • (360) 664-9006

MEMORANDUM

DATE: September 4, 2019

TO: Brian Considine, Managing Attorney
Washington State Gambling Commission

FROM: Suzanne Becker, Assistant Attorney General
Office of the Attorney General, GCE Division, MS 40100

SUBJECT: **Z-0563.2 – Concerning nonprofit organizations**

SB

Thank you for providing me with the opportunity to review this proposed legislation. I understand that the purpose of the proposed legislation is to better align RCW 9.46.0209 with current state charity laws.

I did not identify any legal prohibitions with this proposed legislation.

THE OPINIONS EXPRESSED HEREIN ARE THOSE OF THE AUTHOR ONLY, AND ARE
NOT AN OFFICIAL OPINION OF THE OFFICE OF THE ATTORNEY GENERAL

SB:da

cc: Stacia Hollar, Division Chief
Matt Kernutt, Section Chief

Agency Request Legislation #2

Amendment to RCW 9A.83.030

Money Laundering Forfeitures



**STATE OF WASHINGTON
GAMBLING COMMISSION**

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

Agency Name: Washington State Gambling Commission

Agency Contact: Brian Considine, Legal and Legislative Manager,
360-486-3469

Request Title: Authorizing that Money Laundering Forfeited
Proceeds and Property be used for improvement of
gambling-related law enforcement activities

Introduction

In 1973, the Legislature adopted the Gambling Act, RCW 9.46, and in conjunction it created Gambling Commission. (RCW 9.46.040 - powers and duties enumerated in RCW 9.46.070). The Legislature recognized the close relationship between organized crime and gambling and declared that: “[t]he public policy of the state of Washington on gambling is to keep the criminal element out of gambling and to promote the social welfare of the people by limiting the nature and scope of gambling activities and by strict regulation and control (RCW 9.46.010).”

The Gambling Commission is a limited jurisdiction law enforcement agency under RCW 9.46.210. Gambling Commission special agents are limited authority peace officers who enforce the civil and criminal provisions of the Gambling Act. Special agents complete the same Criminal Justice Training Commission’s Basic Law Enforcement Academy as general authority law enforcement officers do. Special agents are required to meet the training mandate under WAC 139-05-300, which requires twenty-four hours of annual in-service training. The in-service training includes defensive tactics, tactical firearms, firearm qualification, and use of force decision-making scenarios. The agency also is accredited by the Washington Association of Sheriffs and Police Chiefs (WASPC) and special agents adhere to best practices implemented as part of this accreditation.

Money laundering is the process of taking illegally-gained proceeds and transferring the money through legal financial transactions and investments to “clean” the money so that it will appear to have been derived from legal activities. Money Laundering is a crime under RCW 9A.83.020 and proceeds and property connected to illegal money laundering activities can be forfeited under RCW 9A.83.030.

Gambling establishments and casinos have historically been businesses connected to money laundering. It is common for criminals and criminal organizations to try and “wash” their

illegal proceeds through a gambling establishment due to the gambling being a “cash” business with a high turnover of cash within the business.

Gambling operators are required under federal law to follow anti-money laundering regulations in reporting suspicious activity that commonly signals money laundering activities. Card rooms and casinos are considered a financial institution under the Title 31 USC. As such, they are bound by the filing and reporting requirements of Title 31, such as suspicious activity reports (SARs), currency transaction reports (CTRs), and anti-money laundering compliance with oversight by the Financial Crimes Enforcement Network (FinCEN) within the U.S. Treasury.

Gambling Commission special agents are experts in investigating money laundering activities due to the propensity of criminals attempting or using gambling operators to launder money obtained from illegal activities. The basic example is a person bringing cash in a bag to a gambling operator, asking for the cash to be converted into chips, playing a small amount of money inside the establishment, then converting the chips to cash before leaving the premises.

Statement of Need

This request is tied to the Governor's Priorities of having Healthy and Safe Communities. The Gambling Commission is a limited jurisdiction law enforcement agency and the only statewide agency devoted to gambling regulation, licensing and enforcement. Since there is a criminal element associated with gambling, special agents work closely with local, state, federal, Tribal, and international law enforcement agencies on a variety of criminal cases, including dog and cock fighting, money laundering, prostitution, and drug trafficking cases.

Special agents are trained and specialize in investigating money laundering criminal activity. Currently, any forfeited proceeds/property related to money laundering cannot be put towards enhancing gambling-related law enforcement activities. Instead, money laundering forfeited proceeds and property can only go towards the expansion and improvement of drug-related law enforcement activities.

This requirement prevents the Gambling Commission from effectively utilizing the money laundering forfeiture statute as a tool to take the profit out of crime. Therefore, this simple change will provide the Gambling Commission the ability to direct any forfeited proceeds or property towards gambling-related law enforcement activities. This provides us an effective tool to stop illegal money laundering activity within the gambling industry while being able to use any forfeited proceeds/property to enhance our law enforcement mission to protect the public by keeping gambling legal and honest.

Lastly, we need to strengthen the state’s money laundering statutes before any new gambling activities are authorized, including sports gambling and online gambling.

A summary of the major provisions of the bill and their impact on current law.

The bill would allow the Gambling Commission and other law enforcement agencies to direct forfeited proceeds and property under the money laundering forfeiture statute towards furthering and enhancing gambling-related law enforcement activities. The Gambling Act’s

forfeiture subsections identified mirror the disposition and reporting requirements currently referenced in the controlled substances forfeiture statute.

Names, titles, and phone numbers of subject matter experts in your agency who are available to answer policy and fiscal questions related to the proposed bill.

Brian Considine, Legal and Legislative Manager, (360) 486-3469,
Brian.Considine@wsgc.wa.gov.

David Trujillo, Director, (360) 486-3446, Dave.Trujillo@wsgc.wa.gov.

Tina Griffin, Assistant Director, (360) 486-3546, Tina.Griffin@wsgc.wa.gov.

Tommy Oakes, Special Agent Supervisor, Professional Standards and Training, (360) 486-3579, tommy.oakes@wsgc.wa.gov.

Gary Drumheller, Agent-in-Charge, Criminal Enforcement Unit, (509) 325-7904,
Gary.drumheller@wsgc.wa.gov

Chris Stanley, Chief Financial Officer, (360) 486-3489, Christopher.Stanley@wsgc.wa.gov

A complete list of all other government agencies affected by the bill, a summary of their positions, and each agency's representative who may be contacted on the issue. If no other government agency is affected, please indicate.

All general jurisdiction law enforcement agencies can enforce the money laundering statute and forfeit property related to money laundering. However, very few law enforcement agencies other than the Gambling Commission handle gambling-related money laundering cases. See below for list of stakeholders contacted and their positions, if any.

Irrespective of whether a bill has a fiscal impact, a completed fiscal note from each of the affected state agency(s) including local government.

Attached. No other state agency fiscal notes were attached since it is not expected this bill would have any fiscal impact on other state law enforcement agencies.

Stakeholder analysis that includes a complete list of affected stakeholders as well as tribal governments. For each, provide the entities names, contact person and any concerns and position.

The Gambling Commission discussed this proposal with Washington Association of Sheriff and Police Chiefs (WASPC) and they are neutral.

In addition, this proposal was presented to the agency's Commissioners at the Gambling Commission's August and September 2019 public meeting with stakeholders and licensees in attendance.

Lastly, the following stakeholders were sent an e-mail on July 25, 2019, notifying them of this agency request legislation proposal, the proposed amendment to RCW 9A.83.030, and asking for their feedback, if any, prior to the agency's August 2019 Commission meeting, if possible:

- Washington Association of Sheriff and Police Chiefs (WASPC), James McMahan, Neutral
- Washington State Patrol, Captain Neil Weaver, Neutral;
- Washington Council of Police and Sheriffs (WACOPS), Jeff DeVere, Neutral;
- Cities of Renton, Lake Stevens, and Fife, Doug Levy, Neutral;
- Washington Association of Prosecuting Attorneys (WAPA), Russell Brown, Neutral;
- Department of Corrections, Clela Steelhammer, No response;
- Washington State Parks and Recreation Commission, Owen Rowe, No response;
- Department of Fish and Wildlife, Raquel Crosier, No response;
- Liquor and Cannabis Board, Chris Thompson, No response;
- Council of Metropolitan Police and Sheriffs (COMPAS), Renee Maher, No response;
- Fraternal Order of Police, Michael Transue, No response;
- American Civil Liberties Union, Alex Hur, No response;
- Washington Association of Cities, No response;
- Washington Association of Counties, No response;
- Attorney General's Office, Yasmin Trudeau, No response;
- Recreational Gaming Association, Dolores Chiechi, No response; and
- Washington Indian Gaming Association, Rebecca Kaldor, No response;

An official Code Reviser draft of the proposed legislation containing the Z-draft number.

Attached, Z-0564.1

AAG review.

AAG Suzanne Becker has completed a review of the proposal.

Agency's Decision Package.

N/A.

BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: Z-0564.1/19

ATTY/TYPIST: CL:eab

BRIEF DESCRIPTION: Concerning forfeited property.

1 AN ACT Relating to forfeited property; and amending RCW
2 9A.83.030.

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

4 **Sec. 1.** RCW 9A.83.030 and 2008 c 6 s 630 are each amended to
5 read as follows:

6 (1) Proceeds traceable to or derived from specified unlawful
7 activity or a violation of RCW 9A.83.020 are subject to seizure and
8 forfeiture. The attorney general or county prosecuting attorney may
9 file a civil action for the forfeiture of proceeds. Unless otherwise
10 provided for under this section, no property rights exist in these
11 proceeds. All right, title, and interest in the proceeds shall vest
12 in the governmental entity of which the seizing law enforcement
13 agency is a part upon commission of the act or omission giving rise
14 to forfeiture under this section.

15 (2) Real or personal property subject to forfeiture under this
16 chapter may be seized by any law enforcement officer of this state
17 upon process issued by a superior court that has jurisdiction over
18 the property. Any agency seizing real property shall file a lis
19 pendens concerning the property. Real property seized under this
20 section shall not be transferred or otherwise conveyed until ninety
21 days after seizure or until a judgment of forfeiture is entered,

1 whichever is later. Real property seized under this section may be
2 transferred or conveyed to any person or entity who acquires title by
3 foreclosure or deed in lieu of foreclosure of a security interest.
4 Seizure of personal property without process may be made if:

5 (a) The seizure is incident to an arrest or a search under a
6 search warrant or an inspection under an administrative inspection
7 warrant issued pursuant to RCW 69.50.502; or

8 (b) The property subject to seizure has been the subject of a
9 prior judgment in favor of the state in a criminal injunction or
10 forfeiture proceeding based upon this chapter.

11 (3) A seizure under subsection (2) of this section commences
12 proceedings for forfeiture. The law enforcement agency under whose
13 authority the seizure was made shall cause notice of the seizure and
14 intended forfeiture of the seized proceeds to be served within
15 fifteen days after the seizure on the owner of the property seized
16 and the person in charge thereof and any person who has a known right
17 or interest therein, including a community property interest. Service
18 of notice of seizure of real property shall be made according to the
19 rules of civil procedure. However, the state may not obtain a default
20 judgment with respect to real property against a party who is served
21 by substituted service absent an affidavit stating that a good faith
22 effort has been made to ascertain if the defaulted party is
23 incarcerated within the state, and that there is no present basis to
24 believe that the party is incarcerated within the state. The notice
25 of seizure in other cases may be served by any method authorized by
26 law or court rule including but not limited to service by certified
27 mail with return receipt requested. Service by mail is complete upon
28 mailing within the fifteen-day period after the seizure.

29 (4) If no person notifies the seizing law enforcement agency in
30 writing of the person's claim of ownership or right to possession of
31 the property within forty-five days of the seizure in the case of
32 personal property and ninety days in the case of real property, the
33 property seized shall be deemed forfeited. The community property
34 interest in real property of a person whose spouse or domestic
35 partner committed a violation giving rise to seizure of the real
36 property may not be forfeited if the person did not participate in
37 the violation.

38 (5) If a person notifies the seizing law enforcement agency in
39 writing of the person's claim of ownership or right to possession of
40 property within forty-five days of the seizure in the case of

1 personal property and ninety days in the case of real property, the
2 person or persons shall be afforded a reasonable opportunity to be
3 heard as to the claim or right. The provisions of RCW 69.50.505(5)
4 shall apply to any such hearing. The seizing law enforcement agency
5 shall promptly return property to the claimant upon the direction of
6 the administrative law judge or court.

7 (6) Disposition of forfeited property shall be made in the manner
8 provided for in RCW 69.50.505 (8) through (10) and (14) or 9.46.231
9 (6) through (8) and (10).

--- END ---

Individual State Agency Fiscal Note

Bill Number: Z-0564.1	Title:	Agency: 117-Washington State Gambling Commission
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
Account					
Gambling Revolving Account-Non-Appropriated 884-6	0	122,748	122,748	245,496	245,496
Total \$	0	122,748	122,748	245,496	245,496

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 09/04/2019
Agency Preparation: Christopher Stanley	Phone: 360-486-3489	Date: 09/04/2019
Agency Approval: Christopher Stanley	Phone: 360-486-3489	Date: 09/04/2019
OFM Review:	Phone:	Date:

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 1 of the bill amends the money laundering chapter of Washington's criminal code to allow for disposition of forfeited property through the Gambling Act in addition to the Uniform Controlled Substances Act.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Any increase in receipts to the state or federal seizure funds as a result of this legislation is unknown.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The Office of the Attorney General (AGO) is estimating that the proposed bill will result in four additional cases per year. Based on forfeiture cases handled in past years, the average number of hours per case is 250. 250 hours per case multiplied by four cases per year results in 1000 AAG hours per year, or 0.53 FTE billed from AGO to the Washington State Gambling Commission (WSGC). Based on the AGO billing rate for the Government Compliance Division, that agency estimates WSGC billing to increase by \$122,748 per year.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
884-6	Gambling Revolving Account	Non-Appropriated	0	122,748	122,748	245,496	245,496
Total \$			0	122,748	122,748	245,496	245,496

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services		122,748	122,748	245,496	245,496
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	122,748	122,748	245,496	245,496

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.



Bob Ferguson
ATTORNEY GENERAL OF WASHINGTON

Government Compliance & Enforcement Division
PO Box 40100 • Olympia, WA 98504-0100 • (360) 664-9006

MEMORANDUM

DATE: August 29, 2019

TO: Brian Considine, Managing Attorney
Washington State Gambling Commission

FROM: Suzanne Becker, Assistant Attorney General SB
Office of the Attorney General, GCE Division, MS 40100

SUBJECT: **Z-0564.1 – Concerning forfeited property**

Thank you for providing me with the opportunity to review this proposed legislation. I understand that the purpose of the proposed legislation is to modify RCW 9A.83.030 to permit forfeited proceeds to be used for gambling related law enforcement activities.

I did not identify any legal prohibitions with this proposed legislation.

THE OPINIONS EXPRESSED HEREIN ARE THOSE OF THE AUTHOR ONLY, AND ARE
NOT AN OFFICIAL OPINION OF THE OFFICE OF THE ATTORNEY GENERAL

SB:da

cc: Stacia Hollar, Division Chief
Matt Kernutt, Section Chief

States cont...

Therefore, 12 new states now offer regulated sports gambling since the repeal of PASPA and at least an additional 7, including our nation's capital, could have sports gambling operations 2020. Ohio, Massachusetts, and Michigan are the primary states still considering passage of sports gambling bills in 2019. Here is an update, where possible, for current operating states (all numbers are approximate):

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 June and July, \$10.2 million was wagered resulting in \$974,115 in gross revenue. There was \$487,059 in revenue 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 July, \$251.3 million was wagered resulting in \$17.8 million in gross revenue. There was \$2.3 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 July, \$13.3 million was wagered resulting in \$1.05 million in gross revenue. There was \$126,453 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 July, \$6.9 million was wagered for \$423,539 in gross revenue. There was \$42,353 in tax revenue.

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 July, \$8.3 million was wagered resulting in \$827,579 in gross revenue. There was \$422,065 in revenue to the state

Pennsylvania – Sports gambling started in the state in December 2018. The state gaming control board is the primary regulator. There are 9 casino locations with 4 online operators currently. Pennsylvania has a \$10 million sports wagering licensing fee and gross revenue are taxed at 36%. In July, there was \$59.3 million wagered for \$5 million in gross revenue. There was \$986,770 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 July, \$235.6 million was wagered resulting in \$10.5 million in gross revenue. There was \$711,045 in tax revenue.

States cont...

Oregon – The Oregon Lottery is the primary operator/regulator. The lottery aims to launch its online mobile sports gambling app named “Oregon Lottery Scoreboard” in September. A person must be 21 years or older to download the app. All professional sports in the U.S. and overseas will be offered but no collegiate games at launch. Emergency rules should be published prior to the launch.

Iowa - The Iowa Racing and Gaming Commission is the primary regulator. Sports gambling started in the state on August 15, 2019. There are 19 commercial casinos, \$45,000 license fee, gross revenues are taxed at 6.75%, and both retail and online wagering is allowed.

Indiana – The Indiana Gaming Commission is the primary regulator. Sports gambling started in the state on September 1, 2019. There are 13 commercial casinos, \$100,000/\$50,000 initial license fee, gross revenues are taxed at 9.5%, and both retail and online wagering is allowed.

Tribal Governments

Tribes in New Mexico and New York continue to add sportsbooks to their Tribal casinos. Additionally, The Confederated Tribes of Siletz Indians of Oregon opened a sportsbook at their Chinook Winds Casino near Lincoln City, Oregon on August 27, 2019. Lastly, North Carolina’s Eastern Band of Cherokee Tribe is reported to be targeting at opening sportsbooks in late fall at their two Harrah operated casinos.

Commercial Operators

Penn National Gaming announced market-access agreements with four operators—DraftKings, PointsBet, theScore, and The Stars Group. The agreement establishes priority for secondary licenses, or skins, for online sportsbooks across current and possibly future operations in the U.S. It will give these partners an option to own, operate, and brand real-money online sports betting, poker, and casino operations in conjunction the Penn National Gaming brand. According to the press release, DraftKings will have access to seven states company has operations in eight states. PointsBet, a subsidiary of an Australian sportsbook operator, will have access to five states. theScore, a Canada-based sports media company, is a new operator and will have access to eleven states. The Stars Group will have access to nine states. Additionally, Penn National announced that Kambi will be its exclusive provider of sports wagering technology to Penn National.

In New Jersey, theScore has launched an online sportsbook tied to the Monmouth Park Racetrack casino license. theScore is the first sports media company to enter the sports gambling operator market and hopes to leverage its sports app customers. Last December, it indicated that it had 4 million active users of its sports app; 3.4 million Facebook followers; and 1 million Instagram followers.

Iowa sportsbooks are now live. Currently, eight of the nineteen casinos have sportsbooks, including four online options. Kambi(1), PointsBet(1), William Hill(4), and Bet.Works(2) are the licensed operators. All customers must be at least 21 years old and must go to a sportsbook to register an online account. Betting on professional and collegiate sports is allowed, but state law prohibits prop bets on in-state college games or athletes.