



**WASHINGTON STATE GAMBLING  
COMMISSION SPECIAL MEETING  
February 9, 2023**

Washington State Liquor and Cannabis Board  
Olympia, Washington

# COMMISSIONERS



Alicia Levy  
Chair



Julia Patterson  
Vice Chair



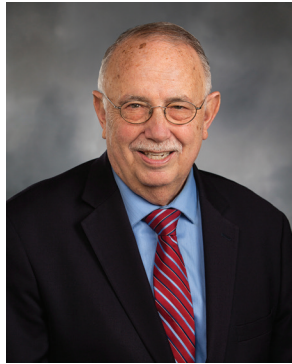
Bud Sizemore



Sarah Lawson

Vacant

# EX OFFICIOS



Senator  
Steve Conway



Senator  
Jeff Holy



Representative  
Shelley Kloba



Representative  
Skyler Rude



## Washington State Gambling Commission

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

(360) 486-3469 | (800) 345-2529 | [www.wsgc.wa.gov](http://www.wsgc.wa.gov)



WAGamblingCommission



WAGambling



wagambling



STATE OF WASHINGTON

GAMBLING COMMISSION

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

Gambling Commission Meeting Agenda

February 9, 2023

Meeting will be held virtually through Teams and in person at the Washington State Liquor and Cannabis Board 1025 Union Avenue SE Olympia, 98501

To join the meeting virtually through TEAMS Click here

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 (\*)

Thursday, February 9, 2023 PUBLIC MEETING	
<b>9:30 AM Tab 1</b>	<p><b>Call to Order</b> <span style="float: right;"><i>Alicia Levy, Chair</i></span></p> <p><b>*Consent agenda</b> <span style="float: right;"><b>(Action)</b></span></p> <ul style="list-style-type: none"> <li>• January 5, 2023 Commission Meeting</li> <li>• New Licenses and Class III Employees</li> <li>• Sports Wagering Vendor Reports</li> <li>• Non-profit officer working in multiple organizations</li> </ul> <p><i>Public Comment</i></p> <p><b>Director’s Report</b> <span style="float: right;"><i>Tina Griffin, Director</i></span></p>
<b>Tab 2</b>	<p><b>*PETITION FOR DISCUSSION ONLY</b></p> <ul style="list-style-type: none"> <li>• Wagering Limits for House-Banked Card Games</li> </ul> <p style="text-align: right;"><i>Jess Lohse, Special Agent</i></p>
<b>Tab 3</b>	<p><b>*PETITION FOR DISCUSSION AND POSSIBLE ACTION</b> <span style="float: right;"><b>(Action)</b></span></p> <ul style="list-style-type: none"> <li>• Amusement Games</li> </ul> <p style="text-align: right;"><i>Lisa C. McLean, Legislative and Policy Manager</i></p> <p><i>Public Comment</i></p>
<b>Tab 4</b>	<p><b>*PETITION FOR DISCUSSION AND POSSIBLE ACTION</b> <span style="float: right;"><b>(Action)</b></span></p> <ul style="list-style-type: none"> <li>• Centralized Surveillance</li> </ul> <p style="text-align: right;"><i>Lisa C. McLean, Legislative and Policy Manager</i></p> <p><i>Public Comment</i></p>
<b>Tab 5</b>	<p><b>2023 Legislative Update</b> <span style="float: right;"><b>(Possible Action)</b></span></p> <p style="text-align: right;"><i>Lisa McLean, Legislative Manager</i> <i>Tommy Oakes, Interim Legislative Liaison</i></p> <p><i>Public Comment</i></p>
	<p><b>Executive Session – Closed to the Public</b> <span style="float: right;"><b>(Working Lunch)</b></span></p> <p>To discuss current and potential agency litigation with legal counsel, including tribal negotiations.</p>

	<b>Public Comment can be provided via:</b> <ul style="list-style-type: none"><li>• Email before the start of the meeting on February 9, 2023, to <a href="mailto:askus@wsgc.wa.gov">askus@wsgc.wa.gov</a></li><li>• Microsoft Office Teams Chat Box.</li><li>• By phone; or</li><li>• In person.</li></ul>
	<b>Adjourn</b>

*Upon advance request, the Commission will pursue reasonable accommodations to enable persons with disabilities to attend Commission meetings. Questions or comments pertaining to the agenda, rule changes and requests for special accommodations should be directed to Julie Anderson, Executive Assistant at (360) 486-3453 or TDD (360) 486-363. If you would like to submit public comment via email, please submit them to [askus@wsgc.wa.gov](mailto:askus@wsgc.wa.gov)*

**Please silence your cell phones and mute your mics for the public meeting**





STATE OF WASHINGTON  
GAMBLING COMMISSION

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

**January Gambling Commission Meeting Minutes  
Hybrid Meeting held at the  
Washington Liquor and Cannabis Board  
January 5, 2023**

**Commissioners Present:**

**Chair Alicia Levy  
Vice Chair Julia Patterson (Via Teams)  
Bud Sizemore  
Sarah Lawson (Via Teams)**

**Ex Officio Members Present:**

**Senator Steve Conway (Via Teams)  
Representative Shelley Kloba (Via Teams)**

**Staff Present:**

Tina Griffin, Director; Chris Wilson, Deputy Director; Lisa McLean, Legislative Manager; Suzanne Becker, Assistant Attorney General (AAG); George Schultz, IT; and Julie Anderson, Executive Assistant

**Staff Present Virtually:**

Gary Drumheller, Assistant Director; Julie Lies, Tribal Liaison; Kriscinda Hansen, CFO; Jess Lohse, Special Agent and Acting Rules Coordinator

There were seven people in the audience and 61 people virtually. Senator Conway and Representative Kloba joined later in the meeting.

**Chair Levy** welcomed everyone to the January 5<sup>th</sup>, 2023, meeting of the Washington State Gambling Commission at 9:33 and asked Director Griffin to call the roll to ensure a quorum. At 9:34 the Commissioners went into Executive Session to discuss current potential agency litigation with legal counsel, including tribal negotiations. The public portion of the meeting is expected to reconvene at 10:30 AM.

At 10:30 AM Chair Levy announced that Executive Session would be extended another 30 minutes.

At 11:05 the public meeting reconvened. Chair Levy adjusted the agenda starting with tab 2.

**Tab 2**

**Petition for Reconsideration**

**Doug Van de Brake, Assistant Attorney General and Andrea J. Clare, Attorney at Law** for the licensee presented the materials for this tab. This matter came before the Commissioners of the Washington State Gambling Commission ("Commission") at the Commission's regularly scheduled meeting on January 5, 2023, in Olympia, Washington, on Petitioner The Pub Tavern's Petition For Reconsideration of the Commission's Final Order On Petition For Review. Ms. Andrea Clare, attorney, represented The Pub Tavern. Assistant Attorney General Doug Van de Brake represented the Washington State Gambling Commission's agency staff. The Commission

had before it the entire record of the prior proceedings relating to this matter, as well as additional pleadings prepared for the presentation of the instant motion. The Commission also heard argument by Doug Van de Brake on behalf of the agency staff and Andrea Clare for The Pub Tavern.

Following review of the record and finding no basis to reconsider its previous decision, the Commission denied Petitioner The Pub Tavern's Petition for Reconsideration and affirmed its Final Order On Petition For Review issued on October 13, 2022. The stay of the Final Order was lifted effective immediately.

#### **Tab 1**

##### **Consent Agenda**

Chair Levy asked the Commissioners if they had any changes to the consent agenda. There were none.

##### **Public Comment:**

Chair Levy asked for public comment. There was none.

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

*Commissioner Lawson seconded the motion.*

*The motion passed. 3:0*

##### **Director's Report**

**Director Griffin** reported that the Problem Gambling Task Force has finalized their report and findings. The final report was issued from the task force in late December and submitted to the legislative committees at that time. The final report is listed on our website.

#### **Tab 3**

##### **Budget Presentation**

**Krisinda Hansen, Chief Financial Officer (CFO)** presented the materials for this tab. CFO Hansen presented a short PowerPoint on the agency's financial position.

**Commissioner Sizemore** asked if the agency had a three or four month capital reserved as per the Office of Financial Managements (OFM) requirements. **CFO Hansen** replied that OFM does not require a specific amount of working capital reserve, however many agencies set aside two to two and a half months of working capital reserve. She stated that because our revenue is cyclical due to the quarterly licensing our working capital reserve is a three-month balance. **Senator Conway** asked about the agencies vacancy rate. **CFO Hansen** replied that the budget presented represents being fully staffed. He asked a follow up question regarding if the agency was currently understaffed. **CFO Hansen** replied that the agencies most recent employee count is 100.

**Chair Levy** asked for any other questions. There were none.

#### **Tab 4**

##### **Request to Initiate Rule Making – Increase License Fees**

**Lisa C. McLean, Legislative/Policy Manager and Rules Coordinator (LPM)** presented the materials for this tab. **LPM McLean** began her presentation by reiterating the RCW 9.46.070(5)

requires the Commission to set fees to generate funds necessary to cover all costs of regulation, licensing, and enforcement.

In the last 20 years, the Commission has increased fees approximately every five years (1998, 1999, 2002, 2003, 2007, and 2014). The last fee increase was an across-the-board increase of 6 percent effective November 2014.

At its inception, a license fee structure was created primarily based on a “class” system with 25 fees. By 2017, the fee structure had grown to approximately 194 different fees for commercial organizations, nonprofit organizations, and individuals. In September 2017, staff introduced to the Commissioners several new and amended rules designed to simplify the fee structure and eliminate the “class” system and advance payment of annual fees. Commissioners voted to file the draft rules for further discussion.

In January 2018, Commissioners approved the new and amended rules, creating a new license fee structure. The simplified license fee structure established base fees by license type, set fee rates as a percentage of gross gambling receipts, and established maximum annual fees. This new license fee structure became effective in May 2018.

Although the gambling industry has largely recovered from a significant contraction due to the COVID-19 pandemic, the number of licensees has decreased. While there were 2,920 organizational licensees as of September 30, 2019, the number has declined to 2,545 as of September 30, 2022. This decline in licensees has caused revenues to flatten. At the same time, operating costs continue to increase in this inflationary period to include increases in salaries and benefits, supplies and equipment, and government services from agencies such as the Attorney General’s Office and Department of Enterprise Services.

The current license fees are not projected to be sufficient to cover the agency’s costs of licensing, regulation, and enforcement beginning in fiscal year 2024.

Staff recommends initiating rulemaking to address license fee increases to cover the cost of licensing, regulation, and enforcement.

**Chair Levy** asked if there were any public comment. There were none in the chat or on the website.

**Commissioner Sizemore** urged staff to make sure we evaluate each component going forward so that we are doing the best by our licensees to generate the revenue necessary.

*Commissioner Patterson moved to initiate rulemaking as proposed for further discussion.*

*Commissioner Sizemore seconded the motion.*

*The motion passed. 4:0*

**Tab 5**

**Request to Initiate Rule Making – Sports Wagering Vendor License Fees**

**Lisa C. McLean, Legislative/Policy Manager and Rules Coordinator (LPM)** presented the materials for this tab. **LPM McLean** stated that on March 25, 2020, Governor Jay Inslee signed House Bill 2638, authorizing sports wagering for Class III Tribal facilities under terms negotiated in Tribal-State Compacts.

Effective August 30, 2021, the Commission amended WAC 230-05-170 (1) to add license fees for three different types of sports wagering vendors:

- Major Sports Wagering Vendor - \$65,000
- Mid-Level Sports Wagering Vendor - \$10,000
- Ancillary Sports Wagering Vendor - \$5,000

A major sports wagering vendor provides integral sports wagering goods or services. A mid-level sports wagering vendor provides services or equipment related to data, security, and integrity. An ancillary sports wagering vendor provides necessary sports wagering support services.

**LPM McLean** mentioned at the time of adoption, Tribal partners and stakeholders expressed concern regarding the high license fees. Due to the concerns expressed, the Commission agreed to reevaluate the license fees for sports wagering vendors before the second year of renewal at the end of June 2023 since there was not enough data on the actual costs incurred before the first renewal period. She also stated that as sports wagering is an authorized Tribal-only gambling activity, the costs to the Gambling Commission for licensing and enforcement must be supported by licensing fees collected from sports wagering vendors. The expenses related to licensing and enforcement should not be passed on to the licensees not benefiting from the activity. The amount of the vendor fees established in 2021 was based on the Commission's best estimate of the costs associated with both licensing and enforcement of a new gambling activity and its best guess of the number of vendors who would be applying for each license type. Now that the Commission has experienced a year of licensing and enforcement of these vendors, it has the necessary information to determine vendor fees. **LPM McLean** stated that staff recommendations are to initiate rulemaking to facilitate further discussion of the sports wagering vendor license fees.

**Chair Levy** asked if there were any public comment. There were none in the chat or on the website.

*Commissioner Sizemore moved to initiate rule-making proceedings as proposed for further discussion on sports wagering vendor license fees.*

*Commissioner Lawson seconded the motion.*

*The motion passed. 4:0*

## **Tab 6**

### **Petition for Discussion and Possible Filing – Wager Limits for House-Banked Card Games**

**Jess Lohse, Special Agent (SA)** presented the materials for this tab. SA Lohse said Vicki Christophersen, representing Maverick Gaming, is proposing to amend WAC 230-15-140 as follows:

- Increase the maximum single wagering limit from \$300 to \$500 for all house-banked gaming tables. Provided that if the licensee has a “high limit room” they may increase the single wagering limit to \$1,000 for a select number of high limit tables as follows:
  - Cardrooms with 1-5 total tables – no more than 1 high limit table; or
  - Cardrooms with 6-10 total tables – no more than 2 high limit tables; or
  - Cardrooms with 11-15 total tables – no more than 3 high limit tables.
- Add a definition of “high limit room” meaning a clearly identified area of the gaming facility separated by a permanent physical barrier or a separate room in the gaming facility.
- Restrict access to high limit tables in the high limit room to only prescreened players and players who are not self-excluded from gambling or exhibit problem gambling behaviors.

SA Lohse stated the reasons the petitioner feels the change is necessary:

- To reflect current economic conditions and customer demand; and
- Wagering limits have not been increased since 2009 and operating costs have increased significantly since then; and
- Minimum wage has nearly doubled since 2009 and supply chain issues and inflation has had a negative impact on card room revenue; and
- To keep the wagering limits for card rooms fair and consistent with competitors, specifically Tribal casinos. Tribal compacts have been steadily amended to increase wagering limits at their casinos.

The petitioner feels the effect of this rule change will allow house-banked card rooms to compete on a more level playing field with Tribal casinos.

At the August 2022 meeting Commissioners accepted a petition and chose to initiate rulemaking to amend WAC 230-15-140 related to wagering limits for House-Banked card games. However, Commissioners expressed several questions they had and information they felt they needed before proceeding forward.

- Option A: Allows for wagering limits over the current maximum limit of \$300 but not to exceed \$500 under certain conditions. Conditions include: 1) limits over \$300 must be approved in internal controls; 2) only three tables are authorized to have limits greater than \$300; 3) the licensee must establish a designated space (i.e. a high limit room/area) for tables where limits over \$300 will be played; 4) problem gambling signage must be posted in the high limit room/area; and 5) verification that players are not on the self-exclusion list prior to them gambling at limits greater than \$300.
- Option B: Increases the maximum wagering limit from \$300 to \$500 for a single wager.
- Option C: Increases the maximum wagering limit from \$300 to \$400 for a single wager.
- Option D: Increases the maximum wagering limit from \$300 to \$500 for a single wager. In addition, it allows for wagering limits up to \$1,000 under certain conditions. Conditions include: 1) limits over \$500 must be approved in internal controls; 2) only three tables are authorized to have limits greater than \$500; 3) the licensee must establish a designated space (i.e. a high limit room/area) for tables where limits over \$500 will be played; 4) problem gambling signage must be posted in the high limit room/area; and 5)

verification that players are not on the self-exclusion list prior to them gambling at limits greater than \$500.

On August 10, 2022, Tony Johns, General Manager of Chips/Palace Casino in Lakewood, WA, sent a letter to the Commission on behalf of Evergreen Gaming in support of the petition to raise wagering limits.

On September 28, 2022, staff held a stakeholder meeting to discuss the wagering limit petition. There were 14 participants from the gaming industry. The consensus was support for the petition to raise wagering limits for house-banked card games. No participant in the meeting was against raising wagering limits.

On September 28, 2022, staff held a meeting with tribal partners to discuss three outstanding petitions to include the wagering limit petition.

On October 26, 2022, the petitioner submitted two documents to the WSGC.

On December 1, 2022, the petitioner submitted an untitled document to the WSGC describing various wagering limits for different states. WSGC staff has not independently verified the alleged facts contained in the document.

**Chair Levy** asked if commissioners had any questions. **Commissioner Patterson** asked for clarification. **Chair Levy** remembered that at the August 2022 meeting Commissioner Reeves had a lot of questions and even Representative Kloba had some concerns and specific questions. She asked staff if they could go back through the August 2022 transcripts and minutes to determine if the questions were answered for a full understanding, wanting a little more time prior to choosing one option over another. **Commissioners Sizemore** asked if after hearing from all the Commissioners today, would there be enough information to move this process along. He stated that would be his proposal. **Commissioner Lawson** supports the rule change and would also like to see the information verified by staff.

**Chair Levy** asked if the public had any questions.

**Vicki Christopherson**, from Maverick Gaming spoke. She said, *“Thanks again for continuing to work on this important proposal. I guess what I want to start with is Lisa and your finance person basically made our case. The same reason that you are seeking to increase license fees, those issues with respect to the cost of doing business, it hasn't been since 2018 that our wager limits have been adjusted. It's been since 2009. We're now on 14 years without an adjustment to the wager limit in card rooms. So for the industry, when we look at the fact that it is in fact shrinking, it is a very difficult industry to be in, and making sure that the companies can remain solvent just as the commission needs to do as well. I think it's important that these issues that we bring forward in rule petitions are addressed in a timely manner.*

*You're right, the hearing happened in August, and Jess will correct me, I'll have to go back and look at my email, but I'm pretty sure we provided all of this information in September-ish, maybe*



*October, which seems to me to be enough time to get some verification about the information that we provided. The state's wager limits information we provided is publicly available and we only compared of states that had commercial wagering, commercial gaming like ours so that we could be doing an apples to apples comparison. I understand in talking to many folks over the last several months that there's some policy concerns or questions around whether high limit in the thousand dollars range is the right way to go. And to me that issue, it's fair to say that that issue needs some more discussion and something we would be willing to continue to do. But with respect to the adjustment from three to our suggested 500, honestly, to us, that seems fairly routine given that it's been since 2009, since our wager limits have been adjusted.*

*It does not out of the ordinary. And again, given the constraints and the realities that all businesses including state agencies are dealing with now, the cost of workers, the cost of benefits, the cost of supplies and goods, the cost of food, everything is going up. And you can see the consolidation happening in our industry, it's happening partly because of these issues. And in our opinion, the commission has an obligation to work with us to ensure that the industry can remain solvent.*

*We have a bit of frustration in that we have now four rule petitions before you, three of them have been 10 months with no discussion or action, this one since August. And so I understand the desire for more time. At the same time we really look to collaborate. We're not going to oppose fee increases. That's obviously something that comes with our work with the commission, but we just ask for the same consideration for our businesses as we continue to go forward. So I would hope that the commission could move forward with initiating rulemaking on the \$500 limit. That still gives you plenty of time because you wouldn't be adopting it now. You'd be directing staff to draft language, which then you could continue to get answers to your questions while that conversation is going on. A delay in initiating rulemaking until March then puts us again several months until some action can be taken. So that's our request. I appreciate the consideration, appreciate the complexities, and we stand ready to answer any questions. Thank you”.*

*Luke Esser spoke on behalf of the Kalispel Tribe. He said, “And our interest in this rule's petition was initially drawn by the petitioner's reference to tribal gaming as was indicated on the first page of the staff report. The final bullet under the petitioner feels this changes as needed for several reasons. And the final bullet initially was to keep the wagering limits for card rooms fair and consistent with competitors, specifically tribal casinos. And I think we have hopefully put that issue to rests with the discussion about how fundamentally different tribal gaming is as created on and regulated under India Gaming Regulatory Act at the federal level versus the state structure for commercial gaming.*

*I am among those who thought that there was going to be a thorough review by staff in the lead up to this discussion as to the foundations of the authorization by the legislature for the card rooms in the state of Washington. And while Maverick certainly has the right to present their response to that background, I think the commission would benefit from a more objective analysis.*

*And one point I'll make, but I don't think it's been addressed at all, is that it is still part of state law RCW 9.46.070 about the gaming commission. The commission shall have the following powers and duties sub two to authorize and issue licenses for a period not to exceed one year to*

*any person association or organization operating a business primarily engaged in the selling of items and food or drink for consumption on the premises. And so I think the commission should, before even entertaining an increase in these betting limits, go back and take a look at the foundation that the legislature has provided to you for the whole construct of card room gaming in the state of Washington.*

*And the final point I want to make is regarding inflation and the suggestion that there's a merited increase, your staff has done a good job of pointing out that there's been four different benchmarks over time for the betting limits in the card rooms, the initial \$25 in 1997, up to \$100 in 2000, up again 2004 to \$200, up again in 2009 to \$300. And if you examine each of those and adjust for inflation, it's only the most recent of those for which there would be any argument that an inflationary adjustment is warranted. So I would encourage you to have staff verify that I took a look at my own numbers on [usinflationcalculator.com](http://usinflationcalculator.com), so I'm no expert in the field. But for most of those different benchmarks that have been adopted over time, you're already above with the current \$300 limit what inflation would've called for at this point in time. So I think there's a lot of unanswered questions for the commissioners to gather more information on before making a and rendering a judgment on this proposal. So thank you for the opportunity to share those thoughts”.*

**Commissioner Patterson** stated she was ready to make a motion, she thought testimony was pretty compelling for how the commission has been delaying the process. And, then no explanation as to what the outstanding questions are that our staff have broadly addressed. For the record, she stated that she feels that unless the commission explains exactly what they don't know or that we're uncomfortable about, we should move forward.

**Chair Levy** asked for further comment and a motion.

**Commissioner Sizemore** read RCW 9.46.070 subsection two , which describes business primarily engaged in selling items of food or drink in to the record. He also said that there is a different part of the statute 9.46.0217 that is the definition of commercial stimulants, and it doesn't include the term primary. He asked about the conflicting interpretations of the two. He wanted to make sure that the agency is staying within the boundaries of their RCW and authority.

**Director Griffin** stated that we do have a definition for commercial stimulant in WAC.

**Commissioner Lawson** agreed that she would like to see more analysis of the information that was put forward to be done by commission staff that would be a bit more objective. She would still like to see the minutes from the prior discussion to really be able to draw those lines linking the questions that were asked by each commissioner and the answer that was provided by the petitioner in the materials. As well as additional time to read and analyze the RCW and the WAC and come to some sort of conclusion about what those statutes and regulations say.

**Commissioner Sizemore** expressed concern about the \$1,000 high limit proposal and suggested removing that from the options provided.

*Commissioner Patterson moved to go forward with Option B, which will increase the maximum wagering from, \$300.00 to \$500.00 for a single wager.*

*Commissioner Sizemore seconded the motion.*

*The motion passed. 4:0*

**Commissioners took a five-minute break.**

#### **Tab 7**

##### **Petition for Final Action - Pull-Tab Inventory Control**

Jess Lohse, Acting Rules Coordinator, presented the materials for this tab. In November 2022, the Commissioners chose to file draft language for further discussion. The petition is up for final action.

**Chair Levy** asked if the petitioner was on the phone or in the audience. He was not.

**Chair Levy** asked if there was any public comment. There was none.

*Commissioner Sizemore moved to approve final action as presented by staff, making the rules effective 31 days after filing with the Code Revisor.*

*Commissioner Patterson seconded the motion.*

*The motion passed. 4:0*

#### **Tab 8**

##### **Legislative Session Update**

**Lisa C. McLean, Legislative/Policy Manager and Rules Coordinator (LPM)** presented the materials for this tab. **LPM McLean** stated that our HB 1132 will be introduced into the community safety justice and re-entry committee on the house side. It is expected to go from there to appropriations.

**Chair Levy** asked if there were any public comments or comments from the Commissioners. There were none.

The commission meeting adjourned at 1:07 PM.



COMMISSION APPROVAL LIST  
(New Licenses & Class III Gaming Employees)  
February 2023

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Based upon the licensing investigations, staff recommends approving all new Licenses and Class III employees listed on pages 1 to 18.

ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

**NEW APPLICATIONS**

**BINGO**

CORBIN SENIOR ACTIVITY CENTER  
00-18598 01-02821

827 W CLEVELAND AVE  
SPOKANE WA 99205

**RAFFLE**

CORBIN SENIOR ACTIVITY CENTER  
00-18598 02-08229

827 W CLEVELAND AVE  
SPOKANE WA 99205

ENSEMBLE BALLET THEATRE  
00-21081 02-08765

400 S 2ND ST  
RENTON WA 98057

GONE TOO SOON  
00-24934 02-21252

8516 N BOYSENBERRY LOOP  
HAYDEN ID 83835

RAISE FOR ROWYN  
00-23737 02-09700

448 SUSSIX E  
TENINO WA 98589-870

**MANUFACTURER'S SPECIAL SALES PERMIT**

HOLLYWOOD CARDROOM  
00-25054 25-00065

16716 AURORA AVE N  
SHORELINE WA 98133

**GAMBLING SERVICE SUPPLIER**

CIXI SHUANGYUAN ELECTRIC CO  
00-25031 26-00376

128 LONGTOWN RD  
CIXI NINGBO NA 31531

HIGH VARIANCE GAMES  
00-25002 26-00374

1031 S MAIN ST  
LAS VEGAS NV 89101-6428

**NON HOUSE-BANKED CARD GAME**

PJ'S PUB  
00-23321 65-07529

1717 N MONROE ST  
SPOKANE WA 99205

**ANCILLARY SPORTS WAGERING VENDOR**

OBEP PAYMENTS, LLC  
10-00237 83-00014

555 EL CAMINO REAL SUITE 200  
SAN CARLOS CA 94070

ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

**NEW APPLICATIONS**

**ANCILLARY SPORTS WAGERING VENDOR**

PAYPAL, INC.  
10-00260 83-00023

2211 NORTH FIRST STREET  
SAN JOSE CA 95131

SIMPLEBET, INC.  
10-00208 83-00032

373 PARK AVE SOUTH 9TH FLOOR  
NEW YORK NY 10016



PERSON'S NAME  
LICENSE NUMBER

EMPLOYER'S NAME  
PREMISES LOCATION

**NEW APPLICATIONS**

**MANUFACTURER REPRESENTATIVE**

ALI, JISHAN 23-03579	LIGHT & WONDER LAS VEGAS NV 89119
BADAM, NAGA HARMILA 23-03577	LIGHT & WONDER LAS VEGAS NV 89119
BASKARAN, RUFINE 23-03578	LIGHT & WONDER LAS VEGAS NV 89119
BREWER, KELLY T 23-03589	PASSPORT TECHNOLOGY USA INC GLENDALE CA 91203
CHRIST, CODY R 23-03587	ARISTOCRAT TECHNOLOGIES INC LAS VEGAS NV 89135
DONOFRIO, RICHARD B 23-02844	IGT LAS VEGAS NV 89113
HOFFECKER, BENJAMIN D JR 23-03588	IGT LAS VEGAS NV 89113
JORDAN, ZACHARY B 23-03581	ARISTOCRAT TECHNOLOGIES INC LAS VEGAS NV 89135
KANDIRAJU, YASHWANTH 23-03598	EVERI PAYMENTS INC LAS VEGAS NV 89113-2175
LEWIS, BRENT T 23-03592	PASSPORT TECHNOLOGY USA INC GLENDALE CA 91203
LOPRESTI, JOSEPH M 23-03583	IGT LAS VEGAS NV 89113
MADHAVAN, PREETI 23-03575	EVERI PAYMENTS INC LAS VEGAS NV 89113-2175
MLECZKO, BRETT A 23-03597	EVERI PAYMENTS INC LAS VEGAS NV 89113-2175
MUKANDHALLI KRISHNAPPA, HEMANTH 23-03594	LIGHT & WONDER LAS VEGAS NV 89119
MULLIN, DON M 23-02589	AGS LLC LAS VEGAS NV 89118
MUMBY, JIM L 23-03593	PASSPORT TECHNOLOGY USA INC GLENDALE CA 91203

PERSON'S NAME  
LICENSE NUMBER

EMPLOYER'S NAME  
PREMISES LOCATION

### NEW APPLICATIONS

#### MANUFACTURER REPRESENTATIVE

PARKER, DOUGLAS L  
23-02152

IGT  
LAS VEGAS NV 89113

RIIS, JOSEPH J  
23-03585

EVERI PAYMENTS INC  
LAS VEGAS NV 89113-2175

SIMON, TIMOTHY L  
23-03573

EVERI PAYMENTS INC  
LAS VEGAS NV 89113-2175

SLIEFF, MELANIE A  
23-01089

IGT  
LAS VEGAS NV 89113

SPAKE, JENNIFER A  
23-03576

ARISTOCRAT TECHNOLOGIES INC  
LAS VEGAS NV 89135

STEVENS, NICHOLAS R  
23-03582

IGT  
LAS VEGAS NV 89113

TUNG, ALIC  
23-03584

ARISTOCRAT TECHNOLOGIES INC  
LAS VEGAS NV 89135

VERMA, SHUBHAM  
23-03580

LIGHT & WONDER  
LAS VEGAS NV 89119

VULKUNDAKAR, SHYAM K  
23-03574

EVERI PAYMENTS INC  
LAS VEGAS NV 89113-2175

WILLIAMS, SAMANTHA M  
23-03586

ARISTOCRAT TECHNOLOGIES INC  
LAS VEGAS NV 89135

#### MAJOR SPORTS WAGERING REPRESENTATIVE

BABIC, MARKO  
33-00484

IGT  
LAS VEGAS NV 89113

BAROT, DARP R  
33-00498

IGT  
LAS VEGAS NV 89113

DJORDJEVIC, DJORDJE  
33-00485

IGT  
LAS VEGAS NV 89113

KAZAKOV, PETAR A  
33-00499

DRAFTKINGS  
BOSTON MA 02116

KHEGAI, MICHAEL  
33-00495

DRAFTKINGS  
BOSTON MA 02116

PERSON'S NAME  
LICENSE NUMBER

EMPLOYER'S NAME  
PREMISES LOCATION

### NEW APPLICATIONS

#### MAJOR SPORTS WAGERING REPRESENTATIVE

OLIVEIRA DE FREITAS, RODRIGO  
33-00497

IGT  
LAS VEGAS NV 89113

SUTHERLAND, AMMON G  
33-00492

DRAFTKINGS  
BOSTON MA 02116

WILLIAMS, SHAWN  
33-00493

DRAFTKINGS  
BOSTON MA 02116

ZIMBERG, LIRON  
33-00496

DRAFTKINGS  
BOSTON MA 02116

#### NON-PROFIT GAMBLING MANAGER

JUAREZ, JOSE M JR  
61-04824

FOE 02647  
PROSSER WA 99350

LOWRY, REBECCA A  
61-04823

BPOE 01204  
ANACORTES WA 98221

MITCHELL, PATRICIA A  
61-04822

FOE 03338  
EPHRATA WA 98823

PAYNE, SANDRA J  
61-04587

AMERICAN LEGION 00034  
PASCO WA 99301

SOLON, DENNA E  
61-04825

FOE 03144  
VASHON WA 98070

#### SERVICE SUPPLIER REPRESENTATIVE

AVELINO, REGINALD S  
63-00830

SALISHAN-MOHEGAN LLC  
VANCOUVER WA 98660

BYRUM, ALAN R  
63-01082

TECHNOLOGENT  
IRVINE CA 92618

MCCALL, SEBASTIAN A  
63-01081

SALISHAN-MOHEGAN LLC  
VANCOUVER WA 98660

MESSINA, SCOTT A  
63-01080

SALISHAN-MOHEGAN LLC  
VANCOUVER WA 98660

PAROSCHY, EDWARD G  
63-01079

TECHNOLOGENT  
IRVINE CA 92618

PERSON'S NAME  
LICENSE NUMBER

EMPLOYER'S NAME  
PREMISES LOCATION

**NEW APPLICATIONS**

**CARD ROOM EMPLOYEE**

ALAMA, ISAIAH A 68-37042	B	IMPERIAL PALACE CASINO AUBURN WA 98002
ALVEAR, KEVIN 68-37025	B	CASINO CARIBBEAN YAKIMA WA 98901
ANDERSON, KAIDEN R 68-37035	B	CASINO CARIBBEAN YAKIMA WA 98901
ATHOS, KATRINA M 68-35848	B	LILAC LANES & CASINO SPOKANE WA 99208-7393
BAUMGARDNER, CYPHRINE V 68-37010	B	CLEARWATER SALOON & CASINO EAST WENATCHEE WA 98802
BOWLIN, TYLER J 68-36102	B	WILD GOOSE CASINO ELLENSBURG WA 98926
DUCH, SARON 68-17590	B	RIVERSIDE CASINO TUKWILA WA 98168
EDSALL, JAMES W 68-37030	B	CLUB 48 YAKIMA WA 98908
FAHLENKAMP, JONI J 68-37017	B	BUZZ INN STEAKHOUSE/EAST WENATCHEE EAST WENATCHEE WA 98802
FOWLER, CALEB R 68-37032	B	ZEPPOZ PULLMAN WA 99163
GAONA, TERI L 68-10485	B	JAMESTOWN SALOON ARLINGTON WA 98223
GUERRERO, CARLOS S 68-37024	B	RC'S AT VALLEY LANES SUNNYSIDE WA 98944
GUTIERREZ, ANGEL R JR 68-34228	B	CLUB 48 YAKIMA WA 98908
GUZZO, BENJAMIN E 68-14522	B	MACAU CASINO LAKEWOOD WA 98499-4457
HALALILO, TEVITA M JR 68-37047	B	LAST FRONTIER LA CENTER WA 98629-0000
JEZEK, JAMES A 68-37018	B	RIVERSIDE CASINO TUKWILA WA 98168

PERSON'S NAME  
LICENSE NUMBER

EMPLOYER'S NAME  
PREMISES LOCATION

**NEW APPLICATIONS**

**CARD ROOM EMPLOYEE**

KHNOR, SORATH 68-03797	B	HOLLYWOOD CARDROOM SHORELINE WA 98133
KOLESNYKOVA, DARIA 68-37020	B	CARIBBEAN CARDROOM KIRKLAND WA 98034
LAM, KENNY V 68-37031	B	BLACK PEARL RESTAURANT & CARD I SPOKANE VALLEY WA 99206-4719
LIANG, HUIZHUANG 68-33026	B	FORTUNE CASINO - TUKWILA TUKWILA WA 98168
LUNDSTEN, CHRISTIAN K 68-25908	B	CARIBBEAN CARDROOM KIRKLAND WA 98034
MALEY, JAMES A 68-37026	B	GOLDIES SHORELINE CASINO SHORELINE WA 98133
MARSHALL, KIYOME M 68-14398	B	HOLLYWOOD CARDROOM SHORELINE WA 98133
MCCORMICK, LYNDSEY R 68-35852	B	CASINO CARIBBEAN YAKIMA WA 98901
MOORMAN, AMY R 68-37029	B	COYOTE BOB'S CASINO KENNEWICK WA 99336
NGUYEN, SON V 68-37013	B	MACAU CASINO LAKEWOOD WA 98499-4457
PEREZ, DANIEL 68-37034	B	SILVER DOLLAR CASINO/RENTON RENTON WA 98057
RAMIREZ, MARY A 68-37037	B	ROXY'S BAR & GRILL SEATTLE WA 98126
RICHARDSON, PJ L 68-37039	B	CLEARWATER SALOON & CASINO EAST WENATCHEE WA 98802
ROBLEDO, IMANOL J 68-37022	B	NOB HILL CASINO YAKIMA WA 98902
SABANDITH, NAVIN A 68-37011	B	JOKER'S CASINO SPORTS BAR & FIESTA RICHLAND WA 99352-4122
SAECHAO, GENE K 68-34393	B	NEW PHOENIX LA CENTER WA 98629

PERSON'S NAME  
LICENSE NUMBER

EMPLOYER'S NAME  
PREMISES LOCATION

**NEW APPLICATIONS**

**CARD ROOM EMPLOYEE**

SEALE, RHYAN D 68-37012	B	LANCER LANES/REST AND CASINO CLARKSTON WA 99403-2219
SHAND, CAMERON O 68-37005	B	FORTUNE CASINO - RENTON RENTON WA 98055
SMITH, MARCUS A 68-33290	B	FORTUNE CASINO - LACEY LACEY WA 98516
SURGEON, REBECCA S 68-37038	B	CLEARWATER SALOON & CASINO EAST WENATCHEE WA 98802
TAGALOA, CORA S 68-37016	B	CHIPS CASINO/LAKEWOOD LAKEWOOD WA 98499
THAO, JOSIAH F 68-37019	B	LAST FRONTIER LA CENTER WA 98629-0000
WHETSTINE, ANTHONI C 68-37043	B	FORTUNE CASINO - RENTON RENTON WA 98055
WILLIAMS, SHELDON D 68-37007	B	GREAT AMERICAN CASINO/EVERETT EVERETT WA 98204
YOUNGER, JEANNIE M 68-37027	B	CARIBBEAN CARDROOM KIRKLAND WA 98034



PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**CHEHALIS CONFEDERATED TRIBES**

CHRISTENSEN, ANGELA K  
69-53916

GRAY, CHRISTOFFER N  
69-54110

GREEN, ZACHARY B  
69-54108

KEYS, MICHAEL A  
69-54104

MCALISTER, MELISSA R  
69-45396

MULVANEY, JUSTINE R  
69-54109

NAROZNIAK, CHARLES R  
69-54106

NEWCOMB, ETHAN C  
69-54107

OXFORD, CASEY R  
69-53942

PARKS, ANDREW J  
69-54105

SMITH, SIERRA L  
69-53914

SPILLER, SAMANTHA A  
69-53915

**COLVILLE CONFEDERATED TRIBES**

AGAPAY, CHRISTOPHER O  
69-53940

CRUZ FARIAS, BERNAL  
69-46956

DOBSON, ANDREW G  
69-53941

MICHEL, AMANDA R  
69-24880

SAM, TASHEENA I  
69-36767

SMITH, SHILO M  
69-53939

TOTH, LILIANA C  
69-53947

VAILE, DARNAI L  
69-53937

WILLIAMS, WALTER V  
69-53938

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**COWLITZ INDIAN TRIBE**

AMARAL, ROLAND A  
69-53983

BRANDT, THOMAS S  
69-53984

CHRISTENSEN, YUN  
69-53966

DALE, REBEKAH A  
69-54028

DAVIS, ALEXANDER B  
69-54022

DONALDSON, DAVID W  
69-54013

EMERY, SEAN T  
69-53981

FLETCHER, NICHOLAS A  
69-54020

GONZALEZ, JESSICA A  
69-53985

GORMLEY, RONALD E  
69-53986

HAM, PAUL E  
69-53909

HILL, CALEB V  
69-53883

IKARD, TONY M  
69-54027

KRAVETZ, NELIA M  
69-53910

KREITZ, JUSTIN P  
69-54023

KYLER, SHAWNA J  
69-53963

LISTA, NELSON V  
69-53912

MADRIGAL, STEPHANIE K  
69-53988

MCCULLY, TYSON C  
69-45826

MICHELIS, JACKIE R  
69-53989

MILLER, MELODY L  
69-53980

MITCHELL, PAUL E  
69-50736

MYER, ADAM N  
69-42643

NGUYEN, TERRY T  
69-53923

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**COWLITZ INDIAN TRIBE**

RENTERIA VARGAS, FERNANDO  
69-53906

RILEY, JEREMY D  
69-54030

ROBERTS, JASON A  
69-54005

ROGERS, RICHARD W III  
69-53884

SESSIONS, GRACELYN M  
69-53987

STEVENS, NATASHA A  
69-53946

SWAN, NICHOLAS A  
69-54016

TICKNOR, STUART J  
69-53907

WADE, ANDREW T  
69-54021

WALLING, MARY F  
69-53882

WELLS, SEBASTIAN A  
69-53961

YOUNG, JONATHON T  
69-53990

**KALISPEL TRIBE**

ABRAHAMSON, GAIGE P  
69-54003

ANSPACH, DARIEAL L  
69-53998

BALDWIN, RICHARD W III  
69-54002

BALDWIN, ROBERT A  
69-47233

BEAN, SAMANTHA A  
69-20413

BROWN, STACIE L  
69-54009

CARPENTER, KRISS A  
69-54029

HEPPLER, THOMAS E  
69-53924

LUTEY, TRISHA A  
69-44833

SCHWAB, DOUGLAS K  
69-24451

SKOBALSKI, KEVIN M  
69-54004

VARGAS, JULIE L  
69-17241

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

LUMMI NATION

DECKER, NIKITA L  
69-53956

ESPANA, ANNDRICK J  
69-53891

MUCKLESHOOT INDIAN TRIBE

BALTAZOR, ROBERT P  
69-54048

BERNARD, HERBERT C  
69-53949

BLACKBEAR, CANUPA-WANBLI  
69-53950

BLYTHE, DAVID J  
69-54047

CASTILLO, ALBA I  
69-53970

COLES, AUTUMM C  
69-53951

CONDICION, VIDAL L  
69-54046

COOK, CARSON W  
69-54045

DERRICK, BRANDON R  
69-54044

FIAMALUA, NITA L  
69-54043

HUBACEK, KAIDEN A  
69-54042

LEACH, DANTE N  
69-53952

NHEM, ELONNA S  
69-53969

SOEURNG, CHANTHORN  
69-22966

SPRAGUE, GINA R  
69-54041

NISQUALLY INDIAN TRIBE

BAER, KENNEDY S  
69-53965

BIBEAU, GWEN B  
69-53982

CRUZ, MARIANO  
69-54039

DOWNEY, TIMOTHY A  
69-32891

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**NISQUALLY INDIAN TRIBE**

FITZGERALD, MELISSA A  
69-53865

HENSON, PAIGE L  
69-51100

HORN, BRIDGETTE N  
69-53964

KAUTZ, MONICA L  
69-26534

LAPOINTE, ANDREA M  
69-07660

LEITKA, FELICIA D  
69-28376

LINKENHOKER, MATTHEW E  
69-54038

NAEA, FUALUGA R  
69-53898

TURRIFF, ANDREAS S  
69-53934

WALDON, WILLIAM R  
69-54037

YITAYEW, HIGE M  
69-53943

**NOOKSACK INDIAN TRIBE**

CLINE, MALIA J  
69-53978

CRITES, DANNY D  
69-09333

DELANO, ISAAC B  
69-54017

**PORT GAMBLE S'KLALLAM TRIBE**

AZADI, TRIAN A  
69-53868

CASTILLEJA, CHRISTIAN  
69-53945

CRANOR, RUSSELL S  
69-53869

FOX, IRINA K  
69-29760

MORGAN, AMANDA L  
69-53870

WARD, HUNTER E  
69-53871

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**PUYALLUP TRIBE OF INDIANS**

BERNARDO, AUSTIN J  
69-54060

CADALIN, HANNAH O  
69-54024

CALARO, JOSEPHINE A  
69-53993

CHAVARRIA, ALEN  
69-54049

CHOM, MAYSAH L  
69-54019

DAVIS PADRON, ALEX J  
69-54006

DELORIO, CODY J  
69-54096

DEWYER, YVONNE L  
69-54063

DUDLEY, MANUELA E  
69-49539

FLORES, ANGEL E  
69-53994

GRAHAM, ADA L  
69-10373

HENNIS, RAMON  
69-54062

HOANG, OUANG B  
69-54050

IERU-SA'O, AUSIANA T  
69-53953

KEO, SOKPISEY  
69-54007

KETH, DEVON P  
69-54008

KNAUS, OLISA R  
69-54053

MARTINEZ, DAVID JR  
69-54015

PARKS, KEITH R  
69-53954

PINKSTON, TYLER F  
69-54055

SAILI, ANTHONY S  
69-54018

SALANGSANG, DENNIS J  
69-54054

SAWYER, WARREN L  
69-32863

SITHIDETH, CALVIN M  
69-54052



PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**PUYALLUP TRIBE OF INDIANS**

SMITH, MARY A  
69-54025

TEAMKITTI, SANIBHAK  
69-54056

TEO, CAITLIN E  
69-54061

TUILETUFUGA, ELIJAH T  
69-54051

UTTER, JOSHUA D  
69-20087

YOEUN, SOPHAVADY L  
69-54095

**QUINAULT NATION**

CHAMBERLAIN, ETHYN D  
69-54058

CUMMINGS, JEFFREY R  
69-36692

EMERSON, FLOYD A II  
69-53927

HALL QUILT, JAMES L  
69-34232

HICKS, MICHAEL A  
69-53926

KIMSEY, SARAH L  
69-53925

KRONLAND, ZACHARY W  
69-54091

LINDEMOOD, FLOYD D  
69-54059

MARTINEZ, GAYLENE I  
69-54011

**SHOALWATER BAY TRIBE**

OLSEN, OLE C  
69-54010

SCHOLL, PAIGE M  
69-53991

**SKOKOMISH TRIBE**

MADDOX, HAYLEE J  
69-42534

PULSIFER, RALPH L  
69-13756

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**SNOQUALMIE TRIBE**

BUFFALOMEAT, BRYCE K  
69-54033

CHRISTIAN, ANGELA M  
69-53996

HANSEN, JESSICA R  
69-54035

HARRIS, AMBER B  
69-53999

LAM, ELENA M  
69-54034

LAZZARA, MARC T  
69-54000

MAH, SHERMAN  
69-54001

MIAO, YONGSHENG  
69-54036

**SPOKANE TRIBE**

CALHOUN, JACOB A  
69-53979

CARNAHAN, JUSTIN R  
69-53992

RYAN, BLAINE R  
69-53968

**SQUAXIN ISLAND TRIBE**

BARTCZAK, DEREK S  
69-53944

KAPILOFF, GERALD  
69-53897

MACFARLANE, DAVID  
69-53908

**SUQUAMISH TRIBE**

BRIDGES, DENELL I  
69-54064

DESIERTO, JASPER R  
69-43779

WALLACE, WILLIAM T II  
69-54026

WOLVEN, ELIZABETH K  
69-53948

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**SWINOMISH INDIAN TRIBAL COMMUNITY**

BAUBLITZ, DAMIEN J  
69-53958

FISK, ISAAC M  
69-45749

MORALES, IRMA G  
69-53995

NELSON, CHRISTOPHER R  
69-42885

SANCHEZ, GILBERTO  
69-53957

**THE TULALIP TRIBES**

CERNICH, TAYLOR L  
69-53960

CHARLES, XZAVIER J  
69-53932

CORTEZ, GABRIEL R  
69-48898

CRAWFORD, EMILY M  
69-53936

CURLEY, TYREEK J  
69-53935

DUNCAN, BLAIR E  
69-18428

FROHNING, MARISSA S  
69-40662

GIBBONS, PAUL T  
69-54074

KASAMJIT, RAWEWAN  
69-53896

LAWSON, JONATHAN A JR  
69-53895

MILLER-MARLEAU, KILEY S  
69-54072

MOBERG, VAUGHN E  
69-54057

NEAL, KIRT J  
69-53933

NELSON, ISAAC V  
69-54075

PRUITT, LANDEN J  
69-54078

QUINN, LORI A  
69-34779

REYES, LAARNI S  
69-28015

YONKOSKE, NATALIE M  
69-40149

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

YAKAMA NATION

BILL, LELAND H  
69-09244

DESIERTO, JASPER R  
69-43779

GREGG, MEKIAH S  
69-53973

JACKSON, KIMBERLY L  
69-44658

LOPEZ, ADRIANNA A  
69-53976

MARTINEZ, YASMINE A  
69-53974

MENDEZ, SANDRA L  
69-53971

REYES, ANTONIO H  
69-53972

SILVA, RUBY M  
69-54014

WONG, BRYAN M  
69-53975



**Washington State Gambling Commission  
Pre-Licensing Report  
Ancillary Sports Wagering Vendor**

**Part I  
Licensing/Organization Information**

<b>Type of Approval</b> Ancillary Sports Wagering Vendor License	<b>Premises/Trade Name/Address</b> OBEP Payments, LLC. 555 El Camino Real, Suite 200 San Carlos, CA 94070
<b>Date of Application</b> January 31, 2022	

**APPLICANT INFORMATION**

<b>Name</b> OBEP Payments	<b>License Application #</b> 10-00237	<b>Business Phone #</b> (702)862-6432
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**Address**  
555 El Camino Real, Suite 200, San Carlos, CA 94070

**ACTIVE LICENSES ISSUED BY GAMBLING COMMISSION**

<b>Description/Class</b> Ancillary Sports Wagering Vendor License	<b>Exp. Date</b> 12/31/2023	<b>License Number(s)</b> 83-00014
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**COMMISSION STAFF**

<b>Licensing Specialist</b> Michael Moore	<b>Special Agents</b> Kevin Maxwell
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**Background/Structure**

**General Information:**

OBEP Payments, LLC started out as E-wise Systems USA, Inc. in 2005. E-wise Systems USA, Inc. changed their name to PayWithMyBank, Inc. in 2013. In 2016, PayWithMyBank, Inc. filed a Certificate of Conversion to change from a Corporation to a Limited Liability Company, so they were known as PWMB, LLC. In 2019, they merged with Trustly, Inc. and changed their name again to OBEP Payments, LLC. The company applied for an Ancillary Sports Wagering Vendor license to provide payment processing in Washington State.

**Organizational/Ownership Structure:**

**OBEP Payments, LLC**

Title	Name	% Ownership
President	John McLane	0
Secretary	Kathryn McCall	0
Owner	Trustly, Inc.	100%
<b>Total</b>		<b>100%</b>

**Ownership/corporate structure of Trustly, Inc.**

Title	Name	% Ownership
CEO & CFO	John McLane	0
Chief Legal Officer & General Counsel	Kathryn L. McCall	0
Chief Business Officer	Craig McDonald	0
VP, Finance	Uri Zelmanovich	
Director	Alexandre Gonthier	0
Director	Johan Tjarnberg	0
Owner	Trustly Holding AB	100%
<b>Total</b>		<b>100%</b>

**Ownership/corporate structure of Trustly, AB**

Title	Name	% Ownership
Chairman of the Board	Erik Naslund	0
Director	Mans Alfven	0
Director	Margaretha Qvist	0
Director	Josefine Jarlsen Lindstrand	0
Director	Rickard Torell	0
Director	Johan Tjarnberg	0
Shareholders	Minority Shareholders with less than 10% interest	26.7%
Institutional Investor	Cidron Maas S.a.r.l./Nordic Capital	60.16%
Institutional Investor	A&D entities	10.98%
Owners	Founders	2.15%
<b>Total</b>		<b>100%</b>

**Other Jurisdictions Licensed:**

OBEP Payments hold a temporary license, certification, registration or license in several states to include Arizona, Pennsylvania, Colorado, Indiana, and Maryland.

**Part II  
Licensing Investigations Summary**

A Special Agent from the Commission’s Regulation Unit conducted a criminal history and financial investigation focusing on funding sources and beneficiaries for suitability in accordance with RCW 9.46 and WAC 230. The investigation included verifying the ownership structure and reviewing financial and business records. The investigation found:

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


**Source of Funds:**

The company's source of funds for the pre-licensing process came from cash on hand.

**Part III  
Staff Recommendations**

Based upon the criminal history and financial background investigations, staff recommends licensing OBEP Payments, LLC with an Ancillary Sports Wagering Vendor license.

**Prepared By**  
Jennifer LaMont, Agent in Charge  
Licensing Unit

**Signature**  


**Date**  
January 27, 2023



**Washington State Gambling Commission  
Pre-Licensing Report  
Ancillary Sports Wagering Vendor**

**Part I  
Licensing/Organization Information**

<b>Type of Approval</b> Ancillary Sports Wagering Vendor License	<b>Premises/Trade Name/Address</b> PayPal, Inc. 2211 North First Street San Jose, CA 95131
<b>Date of Application</b> March 9, 2022	

**APPLICANT INFORMATION**

<b>Name</b> PayPal, Inc.	<b>License Application #</b> 10-00260	<b>Business Phone #</b> (646) 891-7379
<b>Address</b> 2211 North First Street San Jose, CA 95131		

**ACTIVE LICENSES ISSUED BY GAMBLING COMMISSION**

<b>Description/Class</b> Ancillary Sports Wagering Vendor License	<b>Exp. Date</b> 12/31/2023	<b>License Number(s)</b> 83-00023
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**COMMISSION STAFF**

<b>Licensing Specialist</b> Michelle Davis	<b>Special Agents</b> Julie Sullivan
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**Background/Structure**

**General Information:**

PayPal Inc. applied for an Ancillary Sports Wagering Vendor license to provide payment processing services for on-premises mobile sports wagering.

**Ownership/corporate structure of PayPal, Inc.**

Title	Name	% Ownership
President, Director	Daniel Schulman	0%
Director	Aaron Karczmer	0%
CFO	Gabrielle Scheibe	0%
Treasurer	Aaron Anderson	0%
CCO	Andrea Donkor	0%
General Counsel, Secretary	Brian Yamasaki	0%
Shareholder	PayPal Holdings, Inc.*	100%
	Total	100%

\* Publicly traded on the New York Stock Exchange under PYPL.



**Other Jurisdictions Licensed:**

PayPal Inc. is licensed in several other jurisdictions including Arizona, Colorado, and Pennsylvania.

**Part II  
Licensing Investigations Summary**

A Special Agent from the Commission's Licensing Unit conducted a criminal history and financial investigation focusing on funding sources and beneficiaries for suitability in accordance with RCW 9.46 and WAC 230. The investigation included verifying the ownership structure, reviewing financial and business records. The investigation found:

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

**Source of Funds:**

The company's source of funds for the licensing process came from cash on hand from operations.

**Part III  
Staff Recommendations**

Based upon the criminal history and financial background investigations, staff recommends licensing PayPal Inc. with an Ancillary Sports Wagering Vendor license.

**Prepared By**  
Jennifer LaMont, Agent in Charge  
Licensing Unit

**Signature**



**Date**

January 27, 2023



## HOUSE-BANKED PUBLIC CARD ROOM REPORT

<b>Licensed and Operating</b>			<b>38</b>		
	City	Commission Approval Date	License Expiration Date	Org #	License #
ALL STAR CASINO	SILVERDALE	Jan 14, 1999	Jun 30, 2023	00-18357	67-00058
BLACK PEARL RESTAURANT & CARD ROOM	SPOKANE VALLEY	Jan 10, 2013	Sep 30, 2023	00-22440	67-00321
BUZZ INN STEAKHOUSE/EAST WENATCHEE	EAST WENATCHEE	Oct 10, 2002	Dec 31, 2023	00-11170	67-00183
CARIBBEAN CARDROOM	KIRKLAND	Nov 14, 2019	Sep 30, 2023	00-24515	67-00343
CASINO CARIBBEAN	KIRKLAND	Nov 14, 2019	Sep 30, 2023	00-24512	67-00341
CASINO CARIBBEAN	YAKIMA	Nov 14, 2019	Sep 30, 2023	00-24513	67-00342
CHIPS CASINO/LAKEWOOD	LAKEWOOD	Apr 8, 1999	Dec 31, 2023	00-17414	67-00020
CLEARWATER SALOON & CASINO	EAST WENATCHEE	Feb 14, 2019	Dec 31, 2023	00-24296	67-00339
COYOTE BOB'S CASINO	KENNEWICK	Jul 10, 2009	Mar 31, 2023	00-21848	67-00282
CRAZY MOOSE CASINO II/MOUNTLAKE TERRACE	MOUNTLAKE TERRACE	Jul 10, 2009	Mar 31, 2023	00-21849	67-00283
CRAZY MOOSE CASINO/PASCO	PASCO	Jul 10, 2009	Mar 31, 2023	00-21847	67-00281
FORTUNE CASINO - LACEY	LACEY	Jul 14, 2022	Mar 31, 2023	00-24868	67-00347
FORTUNE CASINO - RENTON	RENTON	Jan 8, 2015	Sep 30, 2023	00-23339	67-00327
FORTUNE CASINO - TUKWILA	TUKWILA	Oct 8, 2015	Jun 30, 2023	00-23465	67-00329
GOLDIES SHORELINE CASINO	SHORELINE	May 13, 1999	Dec 31, 2023	00-17610	67-00016
GREAT AMERICAN CASINO/EVERETT	EVERETT	Nov 12, 1998	Dec 31, 2023	00-19513	67-00194
GREAT AMERICAN CASINO/LAKEWOOD	LAKEWOOD	Aug 14, 2003	Jun 30, 2023	00-19258	67-00184
GREAT AMERICAN CASINO/TUKWILA	TUKWILA	Jan 15, 1998	Sep 30, 2023	00-12554	67-00012
IMPERIAL PALACE CASINO	AUBURN	Jan 9, 2003	Dec 31, 2023	00-19477	67-00192
JOKER'S CASINO SPORTS BAR & FIESTA CD RM	RICHLAND	Nov 12, 1998	Dec 31, 2023	00-15224	67-00006
LANCER LANES/REST AND CASINO	CLARKSTON	Nov 13, 2008	Sep 30, 2023	00-21681	67-00276
LILAC LANES & CASINO	SPOKANE	Jul 12, 2007	Jun 30, 2023	00-21305	67-00267

<b>Licensed and Operating</b>			<b>38</b>		
	<b>City</b>	<b>Commission Approval Date</b>	<b>License Expiration Date</b>	<b>Org #</b>	<b>License #</b>
MACAU CASINO	TUKWILA	Nov 14, 2019	Sep 30, 2023	00-24514	67-00344
MACAU CASINO	LAKEWOOD	Nov 14, 2019	Sep 30, 2023	00-24516	67-00345
NEW PHOENIX	LA CENTER	Oct 6, 2022	Jun 30, 2023	00-24981	67-00349
NOB HILL CASINO	YAKIMA	Sep 12, 2001	Dec 31, 2023	00-13069	67-00173
PAPAS CASINO RESTAURANT & LOUNGE	MOSES LAKE	Aug 13, 1998	Jun 30, 2023	00-02788	67-00004
RC'S AT VALLEY LANES	SUNNYSIDE	Nov 16, 2017	Mar 31, 2023	00-16220	67-00336
RIVERSIDE CASINO	TUKWILA	Aug 14, 2003	Jun 30, 2023	00-19369	67-00187
ROMAN CASINO	SEATTLE	Feb 10, 2000	Mar 31, 2023	00-17613	67-00057
ROXY'S BAR & GRILL	SEATTLE	Nov 18, 2004	Jun 30, 2023	00-20113	67-00231
SILVER DOLLAR CASINO/MILL CREEK	BOTHELL	Sep 9, 2010	Jun 30, 2023	00-22131	67-00302
SILVER DOLLAR CASINO/RENTON	RENTON	Sep 9, 2010	Jun 30, 2023	00-22134	67-00305
SILVER DOLLAR CASINO/SEATAC	SEATAC	Sep 9, 2010	Jun 30, 2023	00-22128	67-00299
SLO PITCH PUB & EATERY	BELLINGHAM	Aug 12, 1999	Jun 30, 2023	00-16759	67-00038
THE PALACE	LA CENTER	Apr 9, 1998	Jun 30, 2023	00-16903	67-00010
WILD GOOSE CASINO	ELLENSBURG	Apr 8, 2004	Dec 31, 2023	00-20009	67-00212
ZEPPOZ	PULLMAN	Nov 13, 2008	Mar 31, 2023	00-18777	67-00209

<b>Licensed but Not Currently Operating</b>			<b>4</b>		
	<b>City</b>	<b>Commission Approval Date</b>	<b>License Expiration Date</b>	<b>Org #</b>	<b>License #</b>
EMERALD DOWNS	AUBURN	May 11, 2017	Mar 31, 2023	00-23814	67-00335
LUCKY DRAGONZ CASINO	SEATTLE	Mar 10, 2022	Jun 30, 2023	00-23001	67-00323
ROYAL CASINO	EVERETT	Sep 9, 2010	Jun 30, 2023	00-22130	67-00301
WIZARDS CASINO	BURIEN	Feb 11, 2010	Dec 31, 2023	00-21998	67-00287

**Applications Pending****2**

	City	Commission Approval Date	License Expiration Date	Org #	License #
IMPERIAL PALACE CASINO	TUKWILA			00-24893	67-00348
RED DRAGON CASINO	MOUNTLAKE TERRACE			00-22459	67-00315





**New Sports Wagering Operations**

On January 9, 2023, Nisqually opened their sports book. They have three writer stations and ten kiosk in their gaming facility.

On January 12, 2023, Jamestown became the 14<sup>th</sup> sports betting operation to open in the state.

STATE REPRESENTATIVE  
27<sup>th</sup> LEGISLATIVE DISTRICT  
LAURIE JINKINS

State of  
Washington  
House of  
Representatives

SPEAKER OF THE HOUSE



January 6, 2023

Representative Skyler Rude  
P.O. Box 40600  
Olympia, Washington 98504

Dear Representative Rude:

Pursuant to RCW 42.52.310(2), it is my pleasure to appoint you to the Gambling Commission, replacing Representative Brandon Vick. This appointment is effective January 9, 2023.

Thank you for your willingness to serve in this important role. If you have any questions regarding your appointment, please contact my office.

Sincerely,

A handwritten signature in black ink, appearing to read "LJinkins".

LAURIE JINKINS  
Speaker of the House

LEGISLATIVE OFFICE: PO BOX 40600 • OLYMPIA, WA 98504-0600 • 360-786-7930  
DISTRICT OFFICE: 1901 JEFFERSON ST, SUITE 103 • TACOMA, WA 98402 • 253-593-2033  
E-MAIL: [Laurie.Jinkins@leg.wa.gov](mailto:Laurie.Jinkins@leg.wa.gov)  
TOLL-FREE LEGISLATIVE HOTLINE: 1-800-562-6000 • TTY: 1-800-833-6388 • [www.leg.wa.gov](http://www.leg.wa.gov)

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**Rule Petition to Amend**  
WAC 230-15-140- Wagering limits for house-banked card games

**FEBRUARY 2023 – Discussion Only**  
**JANUARY 2023 – Discussion and Possible Filing**  
**AUGUST 2022 – Initiate Rule-Making**  
**JULY 2022 – Rule-Making Petition Received**

**Tab 2: FEBRUARY 2023 Commission Meeting Agenda.**

**Statutory Authority 9.46.070**

**Who Proposed the Rule Change?**

Vicki Christophersen, Representing Maverick Gaming in Kirkland, Washington

**Background**

**BOLD = Changes made after January 2023 Commission Meeting.**

Vicki Christophersen, representing Maverick Gaming, is proposing to amend WAC 230-15-140 as follows:

- Increase the maximum single wagering limit from \$300 to \$500 for all house-banked gaming tables. Provided that if the licensee has a “high limit room” they may increase the single wagering limit to \$1,000 for a select number of high limit tables as follows:
  - Cardrooms with 1-5 total tables – no more than 1 high limit table; or
  - Cardrooms with 6-10 total tables – no more than 2 high limit tables; or
  - Cardrooms with 11-15 total tables – no more than 3 high limit tables.
- Add a definition of “high limit room” meaning a clearly identified area of the gaming facility separated by a permanent physical barrier or a separate room in the gaming facility.
- Restrict access to high limit tables in the high limit room to only prescreened players and players who are not self-excluded from gambling or exhibit problem gambling behaviors.

The petitioner feels this change is needed for several reasons:

- To reflect current economic conditions and customer demand; and
- Wagering limits have not been increased since 2009 and operating costs have increased significantly since then; and
- Minimum wage has nearly doubled since 2009 and supply chain issues and inflation has had a negative impact on card room revenue; and
- To keep the wagering limits for card rooms fair and consistent with competitors, specifically Tribal casinos. Tribal compacts have been steadily amended to increase wagering limits at their casinos.

The petitioner feels the effect of this rule change will allow house-banked card rooms to compete on a more level playing field with Tribal casinos. The petitioner also believes the rule change will allow for the preservation of family wage jobs and economic contributions to the communities they are part of. Lastly, the petitioner feels that the rule change will provide increased tax collection for the local jurisdictions they operate house-banked card rooms in.

At the August 2022 meeting, Commissioners accepted a petition and chose to initiate rule-making to amend WAC 230-15-140 related to wagering limits for house-banked card games. At the meeting, the Commissioners expressed several questions they had and information they felt they needed before proceeding forward.

Before you in January 2023 were four draft language options to consider, in no particular order:

- Option A: Allows for wagering limits over the current maximum limit of \$300 but not to exceed \$500 under certain conditions. Conditions include: 1) limits over \$300 must be approved in internal controls; 2) only three tables are authorized to have limits greater than \$300; 3) the licensee must establish a designated space (i.e. a high limit room/area) for tables where limits over \$300 will be played; 4) problem gambling signage must be posted in the high limit room/area; and 5) verification that players are not on the self-exclusion list prior to them gambling at limits greater than \$300.
- Option B: Increases the maximum wagering limit from \$300 to \$500 for a single wager.
- Option C: Increases the maximum wagering limit from \$300 to \$400 for a single wager.
- Option D: Increases the maximum wagering limit from \$300 to \$500 for a single wager. In addition, it allows for wagering limits up to \$1,000 under certain conditions. Conditions include: 1) limits over \$500 must be approved in internal controls; 2) only three tables are authorized to have limits greater than \$500; 3) the licensee must establish a designated space (i.e. a high limit room/area) for tables where limits over \$500 will be played; 4) problem gambling signage must be posted in the high limit room/area; and 5) verification that players are not on the self-exclusion list prior to them gambling at limits greater than \$500.

**At the January 2023 commission meeting, Commissioners filed Option B for further discussion.**

Attachments:

- Petition
- WAC 230-15-140
- **Option B as filed by the Commissioners at the January 2023 meeting**
- Draft Language Options
- **Transcript of the HBCR wager increase discussion from the August 2022 commission meeting**
- **Questions and WSGC responses from the August 2022 commission meeting**
- **Transcript of the HBCR wager increase discussion from the January 2023 commission meeting**

#### **Stakeholder Feedback**

On August 10, 2022, Tony Johns, General Manager of Chips/Palace Casino in Lakewood, WA, sent a letter to the Commission on behalf of Evergreen Gaming in support of the petition to raise wagering limits. The letter in question is attached in the Commission Meeting packet.

On September 28, 2022, staff held a stakeholder meeting to discuss the wagering limit petition. There were 14 participants from the gaming industry. The consensus was support for the petition to raise wagering limits for house-banked card games. No participant in the meeting was against raising wagering limits.

On September 28, 2022, staff held a meeting with tribal partners to discuss three outstanding petitions to include the wagering limit petition.

On October 26, 2022, the petitioner submitted two documents to the WSGC:

- Document titled “Follow up to questions posted by WSGC member to Maverick Gaming petition to increase wager limits.” Note: The petitioner submitted this document in response to the Commissioner’s questions at the August 2022 meeting.
- Document titled “A Brief History of Gambling in Washington State.”

Both documents referenced above are attached. WSGC staff has not independently verified the alleged facts contained in either document.

On December 1, 2022, the petitioner submitted an untitled document to the WSGC describing various wagering limits for different states. The document is attached. WSGC staff has not independently verified the alleged facts contained in the document.

Further stakeholder and Tribal partner outreach will occur following the filing of the rules for further discussion.

**On January 27, 2023, we received an email from Jerry Howe, owner of Wild Goose Casino in Ellensburg, in support of the petition.**

Attachments:

- Stakeholder Letter
- Documents submitted by Maverick Gaming (3)
- **Email from Jerry Howe**

#### **Policy Considerations**

**Pursuant to RCW 9.46.070 (11), the Commission has the power and authority to “*establish the type and scope of and manner of conducting gambling activities authorized by this chapter, including but not limited to, the extent of wager, money, or thing of value which may be wagered or contributed or won by a player...*”**

**RCW 9.46.0282 defines a “social card game” as a “*card game that constitutes gambling and is authorized by the Commission under RCW 9.46.070.*” Authorized card games include house-banked games. Furthermore, RCW 9.46.0282 states that “*the card game must be played in accordance with the rules adopted by the commission under RCW 9.46.070, which shall include but not be limited to rules for the collection of fees, limitation of wagers and management of player funds.*”**

Pursuant to RCW 9.46.0282, the number of tables in a card room shall not exceed a total of fifteen separate tables. The petitioner is not requesting to operate more than fifteen tables. Rather, the petitioner is requesting that the wagering limits be increased from \$300 to \$500 on all tables with the ability to raise limits to \$1,000 for a select number of high limit tables.

House-banked card rooms opened in 1997 where wagering limits for games were set at \$25. In 2000, wagering limits increased to \$100, in 2004 to \$200, and lastly in 2009 to the current limit of \$300.

In 2016, the Commission received a petition from the Recreational Gaming Association (RGA) requesting the Commission to increase wager limits to \$500 that would match the limits of Tribal gaming operations at that time. The Commission accepted the petition for further discussion, but the RGA eventually withdrew their request after hearing Commissioner concerns about increasing the wager limit and problem gambling.

In January 2022, the Commission received a petition from Tim Merrill with Maverick Gaming requesting the Commission to increase wagering limits to \$500 with the ability to raise the limit to \$1,000 on 25% of tables. The petition was withdrawn by Tim Merrill prior to the Commissioners taking any action.

Additional rulemaking will be needed to address policy concerns, new definitions, and possible new requirements.

**Attachments:**

- **Transcript for January 2023 Commission Meeting**
- **Transcript for August 2022 Commission Meeting**
- **Summary of Questions**
- **Summary of the 2016 RGA Petition to Increase HBCR Wager Limits to \$500**
- **History of Laws and Rules**
- **Chain Inflation Document**

**Problem Gambling Implications**

Staff reached out to the Evergreen Council on Problem Gambling for feedback and/or for further resources to determine the impacts of problem gambling should table game wager limits be increased. As of December 29, 2022, no feedback had been received indicating increasing wager limits would impact those who had a problem with gambling.

Staff reviewed the Massachusetts Gambling Impact Cohort Study of April 16, 2021, entitled “A Six-Year Longitudinal Study of Gambling and Problem Gambling in Massachusetts” and the “New Zealand National Gambling Study Wave 4 (2015) Report Number 6” from March 29, 2018, for information on the impact of higher table game wager limits on players who have a problem with gambling.

Neither report indicated that higher table game wager limits were predictors of problem gambling.

The studies can be found at:

- [https://massgaming.com/wp-content/uploads/MAGIC-Six-Year-Longitudinal-Study-of-Gambling-and-Problem-Gambling-in-Massachusetts\\_Report-4.16.21.pdf](https://massgaming.com/wp-content/uploads/MAGIC-Six-Year-Longitudinal-Study-of-Gambling-and-Problem-Gambling-in-Massachusetts_Report-4.16.21.pdf)
- [https://phmhri.aut.ac.nz/\\_data/assets/pdf\\_file/0019/193123/Final-Report-National-Gambling-Study-Report-6-29-March-2018.pdf](https://phmhri.aut.ac.nz/_data/assets/pdf_file/0019/193123/Final-Report-National-Gambling-Study-Report-6-29-March-2018.pdf)

**Staff Recommendation**

**Staff recommends further discussion. The earliest you can take final action would be at the March 2023 commission meeting.**

## Lohse, Jess (GMB)

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**From:** no-reply@wsgc.wa.gov on behalf of WSGC Web <no.reply@wsgc.wa.gov>  
**Sent:** Tuesday, July 12, 2022 11:47 AM  
**To:** Rules Coordinator (GMB)  
**Subject:** Request a Rule Change Submission from wsgc.wa.gov

External Email

Submitted on Tuesday, July 12, 2022 - 11:47am Submitted by anonymous user: 24.56.241.117 Submitted values are:

Petitioner's Name: Vicki Christophersen

Mailing Address: P.O. Box 3329

City: Kirkland

State: WA

Zip Code: 98083

Phone: 3604852026

Email: vicki@christopherseninc.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 230-15-140

I am requesting the following change:

Request changes to WAC 230-15-140 to update and reflect current economic conditions. Suggested changes for consideration include:

1. Amend requirements to allow a maximum bet at cardrooms of five hundred dollars (\$500)
2. Amend requirements to allow a designated high limit room consisting of a limited number of tables.
  - a. Tables could be limited in the following manner:
    - i. Cardrooms with 1-5 total tables – no more than 1 high limit table
    - ii. Cardrooms with 6-10 total tables – no more than 2 high limit tables
    - iii. Cardrooms with 11-15 total tables – no more than 3 high limit tables
3. Recommend that the single wager at a high limit table must not exceed one thousand dollars (\$1000).
4. Suggested definitions:
  - a. "High Limit Room" means a clearly identified area of the Gaming Facility separated by a permanent, physical barrier or a separate room in the Gaming Facility.
  - b. "Permanent, physical barrier" includes a partial wall, fence or similar separation. Stanchions or similar movable barriers are not considered a permanent, physical barrier.
5. Suggested requirements:
  - a. Access to the tables in a High Limit Room will be

subject to prescreening qualifications and screening process.

b. Require that no customers may participate in gaming in a High Limit Room if they are known to the Gaming Operation to have

a history of problem gambling or currently barred for self-exclusion, or known by the Gaming Operation as demonstrating

significant characteristics associated with problem gambling.

This change is needed because:

Wager limits need to be updated to reflect current economic conditions and customer demand. Wager limits for House banked card rooms have been set at three hundred dollars (\$300) since 2009. In the 13 years since the limit was established, operating costs have increased dramatically. Since 2009, Washington minimum wage has nearly doubled. Additionally, supply change issues and inflation have an impact on revenue. Once a significant driver of revenue and employment at our properties, our food & beverage business is not sustainable on a standalone basis in the current cost inflation environment without the support of stronger gaming revenues.

Tribal compacts have been steadily being amended to increase the wager limits at their properties. This proposal is modeled after those changes and reflects the same protections. Although a small percentage of the guests that visit cardrooms (less than 3%) would take advantage of the increase, these customers are a critical component of financial stability.

The effect of this rule change will be: The impact of allowing higher wagers will allow cardrooms to operate on a more level playing field. This will allow for the preservation of family wage jobs and economic contributions to the communities we are a part of. Additionally, it will provide increased tax collection for our local jurisdictions.

The results of this submission may be viewed at:

<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwsgc.wa.gov%2Fnode%2F18%2Fsubmission%2F3434&data=05%7C01%7Crules.coordinator%40wsgc.wa.gov%7Ce7997907911b45dced108da6436f0d7%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C637932484382140670%7CUnknown%7CTWFpbGZsb3d8eyJWlloiMC4wLjA%7CwMDAiLCJQljoiv2luMzliLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=kVwaszgnEUHfsvon4rID3Y7D%2FhtMa2wxMZVyL%2BMvqB4%3D&reserved=0>

**WAC 230-15-140 Wagering limits for house-banked card games. (1)**

A single wager must not exceed three hundred dollars.

(2) A player may make a single wager for each decision before the dealer deals or reveals additional cards. Wagers must be placed on the table layout on an approved betting spot, except for:

- (a) In Blackjack games, players may place an additional wager next to their original wager when doubling down or splitting pairs; or
- (b) Tip wagers made on behalf of a dealer; or
- (c) As authorized in approved card games rules.

[Statutory Authority: RCW 9.46.070. WSR 21-11-057, § 230-15-140, filed 5/14/21, effective 6/14/21; WSR 08-20-025 (Order 631), § 230-15-140, filed 9/19/08, effective 1/1/09; WSR 07-09-033 (Order 608), § 230-15-140, filed 4/10/07, effective 1/1/08.]

OPTION B

AMENDATORY SECTION (Amending WSR 21-11-057, filed 5/14/21, effective 6/14/21)

- WAC 230-15-140 Wagering limits for house-banked card games.** (1)  
A single wager must not exceed (~~three hundred dollars~~) \$500.
- (2) A player may make a single wager for each decision before the dealer deals or reveals additional cards. Wagers must be placed on the table layout on an approved betting spot, except for:
- (a) In Blackjack games, players may place an additional wager next to their original wager when doubling down or splitting pairs; or
  - (b) Tip wagers made on behalf of a dealer; or
  - (c) As authorized in approved card games rules.



OPTION A

AMENDATORY SECTION (Amending WSR 21-11-057, filed 5/14/21, effective 6/14/21)

**WAC 230-15-140 Wagering limits for house-banked card games.** (1)

A single wager must not exceed (~~three hundred dollars~~) \$300. Provided that licensees may allow a single wager up to \$500 under the following conditions:

(a) All wagering limits greater than \$300 must be approved by us and included in the internal controls; and

(b) Only three house-banked tables may offer wagering limits greater than \$300; and

(c) The licensee must establish a designated space on the licensed premises for house-banked tables with wagering limits greater than \$300. The designated space must:

(i) Be separated from the main gaming space by a permanent structure or physical barrier; and

(ii) Function like a separate gaming pit from the main gaming space; and

(iii) Have a floor supervisor present at all times tables are open for play; and

(iv) Have a gambling disorder informational sign conspicuously posted which includes a toll-free hotline number for individuals with a gambling problem or gambling disorder; and

(d) Verify players are not on the self-exclusion list prior to allowing wagers greater than \$300.

(2) A player may make a single wager for each decision before the dealer deals or reveals additional cards. Wagers must be placed on the table layout on an approved betting spot, except for:

(a) In Blackjack games, players may place an additional wager next to their original wager when doubling down or splitting pairs; or

(b) Tip wagers made on behalf of a dealer; or

(c) As authorized in approved card games rules.

OPTION C

AMENDATORY SECTION (Amending WSR 21-11-057, filed 5/14/21, effective 6/14/21)

- WAC 230-15-140 Wagering limits for house-banked card games.** (1)  
A single wager must not exceed (~~three hundred dollars~~) \$400.
- (2) A player may make a single wager for each decision before the dealer deals or reveals additional cards. Wagers must be placed on the table layout on an approved betting spot, except for:
- (a) In Blackjack games, players may place an additional wager next to their original wager when doubling down or splitting pairs; or
  - (b) Tip wagers made on behalf of a dealer; or
  - (c) As authorized in approved card games rules.

OPTION D

AMENDATORY SECTION (Amending WSR 21-11-057, filed 5/14/21, effective 6/14/21)

**WAC 230-15-140 Wagering limits for house-banked card games.** (1)

A single wager must not exceed (~~three hundred dollars~~) \$500. Provided that licensees may allow a single wager greater than \$500 but not to exceed \$1,000 under the following conditions:

(a) All wagering limits greater than \$500 must be approved by us and included in the internal controls; and

(b) Only three house-banked tables may offer wagering limits greater than \$500; and

(c) The licensee must establish a designated space on the licensed premises for house-banked tables with wagering limits greater than \$500. The designated space must:

(i) Be separated from the main gaming space by a permanent structure or physical barrier; and

(ii) Function like a separate gaming pit from the main gaming space; and

(iii) Have a floor supervisor present at all times tables are open for play; and

(iv) Have a gambling disorder informational sign conspicuously posted which includes a toll-free hotline number for individuals with a gambling problem or gambling disorder; and

(d) Verify players are not on the self-exclusion list prior to allowing wagers greater than \$500.

(2) A player may make a single wager for each decision before the dealer deals or reveals additional cards. Wagers must be placed on the table layout on an approved betting spot, except for:

(a) In Blackjack games, players may place an additional wager next to their original wager when doubling down or splitting pairs; or

(b) Tip wagers made on behalf of a dealer; or

(c) As authorized in approved card games rules.

Madam Chair:

We will next move to petition for rule change with ~~Just Los~~ [Jess Lohse] again, and I believe Vicky ~~Christofferson~~ [Christopherson] from Maverick Gaming and Eric Peterson from Maverick Gaming are here as well.

Commissioner Sizemore:

Eric Persson.

Madam Chair:

Oh, Persson. I'm sorry. I pronounced Eric's last name incorrectly. ~~Just~~ [Jess], I'll hand it over to you.

~~Just~~ [Jess]:

Thank you, Chair. Again for the record. ~~Just Los~~ [Jess Lohse], acting rules coordinator. If you please turn to tab five in your commission meeting packet. Vicky ~~Christofferson~~ [Christopherson], she's representing Maverick Gaming in Kirkland, Washington and is proposing to amend WAC 230-15-140, which is our rule on wagering limits for house bank[ed] card games. And they are suggesting changes to increase the maximum single wagering limit from 300 to 500 for all house bank[ed] gaming tables. Provide that if the licensee has a high limit room, they may increase a single wagering limit to \$1,000 for a select number of high limit tables. They're also suggesting to add a definition of a high limit room, and they provided a suggested definition of a clearly identified area of the gaming facility separated by a permanent physical barrier or a separate room in the gaming facility. They're also proposing to restrict access to high limit tables in the high limit room to only pre-screen[ed] players and players who are not self-excluded from gambling or exhibit problem gambling behaviors.

The petitioner feels this change is needed for several reasons. One to reflect the current economic conditions and customer demand. They also note that wager[ing] limits have not been increased since 2009 and operating costs have increased significantly since then. They noted that the minimum wage has nearly doubled since 2009 and supply chain issues and inflation has had a negative impact on card room revenue. And to keep the wagering limits for card rooms fair and consistent with competitors, specifically tribal casinos, they note that tribal compacts have been steadily amended to increase wagering limits at their casinos. The petitioner feels that the effectiveness [of this] rule change will allow house bank[ed] card rooms to compete on a more level playing field with tribal casinos. The petitioner also believes a rule change will allow for the preservation of family wage jobs and economic contributions to the communities they're a part of. Lastly, the petitioner feels that the rule change will provide increased tax collection for the local jurisdictions they operate house bank[ed] card rooms in.

A little bit of historical background on this rule and related to just the number of tables and house bank[ed] card rooms. To start, RCW 9.46.0282 determines how many authorized tables a house bank[ed] card room can have, which is limited to 15. The petitioner's [is] not looking to add more than 15 tables, rather as they noted in their petition, they're looking at increasing the wagering limits from 300 to 500 with the ability to go up to 1,000 for a select number of tables. House bank[ed] card rooms opened up in 1997, where wagering limits for games were set at \$25. In 2000, wagering limits increased to 100, and [in] 2004 to \$200, and lastly, in 2009, the current limit of \$300. In 2016, the commission received a petition from the Recreational Gaming Association, requesting the commission to increase wagering limits to \$500 that would match the limit of tribal gaming operations at the time.

The commission accepted the petition for further discussion, but the RGA eventually withdrew their request after hearing some commissioner concerns. In January 2022, earlier this year, the

commission received a petition from Tim Merrill with Maverick Gaming, requesting the commission to increase wagering limits from up to 500 with the ability to raise to 1,000 on 25% of the tables, but the petition was withdrawn by Tim Merrill prior to the commissioners taking any action. Staff feels that additional rule making will be needed to address policy concerns, new definitions, and possible new requirements. Under the APA, the commission must take action on the petition within 60 days of receiving it. Your options are to initiate rulemaking proceedings or deny the petition in writing. And I believe Ms. ~~Christofferson~~ [Christopherson] and Mr. Persson are here to give a presentation. I'll stay on the line if you have any questions. Thank you.

Madam Chair:

Great. Thank you, ~~Just~~ [Jess]. Is Ms. ~~Christofferson~~ [Christopherson] here or Mr. Persson? Do you see them as the list of attendees?

~~Speaker 20~~ [Julie Anderson/Director Griffin]:

They were on earlier.

~~Just~~ [Jess]:

I did see them earlier. They had informed me they were planning on being in person. I think Aaron Wong, he's one of their executives, he has his hand raised.

Madam Chair:

Okay. Yeah, I did see a hand raised. Is that Mr. Wong, you said, the name? You can go ahead.

Eric:

Hi. This is actually Eric Persson. I'm the owner of Maverick Gaming. Can you guys hear me?

Madam Chair:

Yes.

Eric:

Oh, thank you. Vicky's walking in. We were under the impression this was happening at 12:30. She's coming into the building right now, so I apologize for the delay we're causing. We just thought this for some reason was coming on the agenda in another hour. So sorry about that. We'll be right there.

Madam Chair:

Okay.

~~Commissioner~~ [Vice Chair] Patterson:

Can I ask a question?

Madam Chair:

Sure. Commissioner Patterson, you a question?

~~Commissioner~~ [Vice Chair] Patterson:

Thank you, Madam Chair. While we are waiting for them, **1** I wondered if staff could remind us of why the petition was withdrawn previously, what the commission's concerns were? We expressed concerns some time ago, I think in 2016, and then a similar petition was withdrawn. Can anyone remind me of what our concerns were at that time? And if not now, I just at some point would like to understand that.

~~Madam Chair~~ [Director Griffin]:

The rule[s] summary states that, for the 2016 petition, the RGA eventually withdrew the request after hearing commissioner concerns about increasing the wager limit and problem gambling.

~~Commissioner~~ [Vice Chair] Patterson:

~~Madam Chair~~ [Director Griffin]:

I'm sorry. I did not go back and read the transcripts from previous meetings.

~~Commissioner~~ [Vice Chair] Patterson:

Okay.

~~Madam Chair~~ [Director Griffin]:

I'm not able to answer that right now.

~~Commissioner~~ [Vice Chair] Patterson:

Maybe it was just generic like that.

~~Madam Chair~~ [Director Griffin]:

I would have to go back and read the transcripts. Sorry.

~~Commissioner~~ [Vice Chair] Patterson:

But then we went forward and raised the limits for the tribes and worked through that. I don't know how... What were our... Okay. Do you remember, Bud?

Commissioner Sizemore:

No.

~~Madam Chair~~ [Vice Chair Patterson]:

Okay.

Commissioner Sizemore:

Not specifically. I do have a question for the chair.

Madam Chair:

Yes?

Commissioner Sizemore:

I know what it's like to rush into a room and be expected to be on point. And that's usually pretty difficult and I see Vicky walking in. Could I suggest that maybe we table this topic and do... I'll put our staff on the spot and not necessarily a petitioner, but maybe we could do the next agenda item first and then come back to this.

Madam Chair:

That was my plan already.

Commissioner Sizemore:

Alrighty. I like it.

[Commissioners move to the Legislative Update at 1 hour and 11 minutes into recording.]

[Transcript resumes at 1 hour and 18 minutes and 14 seconds.]

So now we will go back to petition tab five, which was the petition for rule change from Ms. ~~Christofferson~~ [Christopherson] and Eric Persson from Maverick Gaming. This [Jess] already presented, but he's still available for questions, and we'll go ahead and allow Ms. ~~Christofferson~~ [Christopherson] to... # [do] you want to come to podium.

Vicky:

Absolutely. First of all, let me apologize. We had looked at the agenda and 12:30 was what we had seen, so that's what we were working off of. So my apologies, you guys are being very efficient today. Eric is on his way, I think probably five minutes out. I'll do my best to cover all the pieces. Actually, he might be here. Initially we were planning I would do the introduction and then he would jump in. We have a PowerPoint and what I don't remember... [so] We're good to go. Okay, great. First of all, my name is Vicky ~~Christofferson~~ [Christopherson]. I represent Maverick Gaming here in Washington state, and we have brought a petition forward for the commission to consider rule changing around wager limits for card rooms. I'm trying to see where the PowerPoint... Oh, sorry.

And I'll just say next slide when it's... Great. So I'm going to intro and then you can come up.

Eric:

Okay.

Vicky:

~~Here~~ [There] we go. We'll go to the next slide. I think most people know Maverick Gaming operates 19 card rooms here in the state of Washington. Proud member with Teamster workers in our facilities and an investment of 500 million into the state, committed to the success of the card room industry in Washington state and doing it in a responsible way to make sure that we keep our communities safe. Next slide. Just by comparison, most jurisdictions in this area, this part of the United States actually don't have limits on wagers. We're the only one with one. And to be clear, we are not asking for no wager limits, we're just asking for an update. Next slide.

This is the part I wanted to just briefly discuss and then invite Mr. Persson up to give the rest of the presentation. We wrote the petition specifically with the acknowledgement that it was the commission that will work on rulemaking. Should you choose to open rulemaking, we understand that

will be a robust stakeholder process, lots of discussion about what the appropriate wager limits would be, how to construct those. So what we've provided here is really an outline of the concepts that we'd like you to consider, should you decide to move forward including [opening] rule making. And that is, at what level should the wager limit be? Should there be a high limit area? We believe yes. We'd like to discuss that.

And then the definitions and how you make sure you put the appropriate restrictions and regulations around that. But again, want to state, we are not wedded to these words in particular. We've taken examples out of tribal compacts that have been amended in the last few years with some of these definitions feeling like that's probably a good place to start in looking at these regulations, but really hope today that we can convince you to open rule making so we can start that ~~sequel to~~ [stakeholder] process and bring everybody to the table to figure out the best way to move forward. So with that, I'll hand it over to Eric to walk through the rest of the slides and talk a little bit about why we're here with this request for you. Thank you. Next slide.

Eric:

I'm Eric Persson, the owner of Maverick Gaming. Thanks for your time. This slide just shows that the history of house bank[ed] card rooms in Washington, shows their progression of the minimum wage laws and also how the bet limits increased. [As] I think ~~it~~ was stated earlier that the last time the limits were increased was 2009. And I think that, with the inflation and everything, it's almost doubled since then. It's really hard for me to see the whole slides, I don't know about you guys. Kind of tough thing to admit, but that's really the purpose of this slide. So maybe we'll go to the next slide.

Speaker 11:

There we go.

Eric:

It's a little better. Yeah, we already hit that one. This slide basically just shows... We all know about the pandemic and we all know that it was tough on card rooms and pretty much everywhere else, but it really just speaks to the efforts of Maverick. We're partners with Teamsters 117, we didn't lay anybody off. We kept benefits on through the whole time, even though we were shut down, as everybody knows for some period of time. We're still recovering, frankly. Revenues are just now getting to a place where they were in 2019. But we've endured a lot. And at the same time card rooms are continuing to decline from, I think there's over 100 at one time and now there's actually 39 active card rooms. I know another one just shut down about a month ago. So really just shows you what's going on with the card rooms, what the pandemic did, and what we did to the pandemic, which I think is a little bit different than a lot of other places. And so with that, we'll go to the next slide.

Really, this shows you inflation. And I don't need to speak about a lot. I think everybody's talking about inflation, at least anytime I go on the news, it's hitting everybody and it's making everything harder. There's a lot of wage compression. We're paying more. Unemployment's actually got back to historical low again. We're having to pay more wages, which we happily do, but in relation to that, things that make gaming a little bit different than other commodities is, you can't change the rules and just take people's money faster[, right?]. And you can't force people to bet more. You can, but then at some point there's, "This isn't fun for me. This game doesn't make sense," and you choose not to play. So what happens is you have this commodity, which is blackjack or Baccarat and you have customers who are the consumers who dictate what they're comfortable spending.



And so unlike Tide or food or something else where people say, "Hey, I'm just going to charge more for a hamburger," you can't do that with gambling because if you do, you end up just losing the customer. And that's sort of the tough part we make, but we have this artificial limitation, which is the bet cap is... there are some consumers, not a lot, but there are some consumers who would prefer to gamble more than, say, \$300. And they can't because of the bet limits. And so what happens is, they're left with choices. One is to just bet \$300 with us or go to a ~~travel~~ [Tribal] facility where they can bet up to five or 10,000, even in their [inaudible 00:32:57 high-limit] rooms.

And that's something tough for us to compete [with]. And what it ends up meaning is we just lose high-end customers. And that's sort of what this is about, for that small segment of customers who like to bet more, but just can't. They have the ability to [ , the] wherewithal, and so they end up just choosing a different consumer product, which is the tribal facilities where they're allowed to gamble at those limits. And so we can hit the next slide.

This slide is just the same thing. Look, COGS have gone up. It's no secret, everything costs more. And this is a big part of this ask, because I'm trying to figure out, "How do I protect these jobs? How do I help the card rooms thrive, my card rooms and the rest of the card groups [rooms] in the state?" I have a pretty big investment in the state, have a pretty big investment in card rooms, and we're trying to figure out how do we make it be vibrant. We [already] don't have sports betting. It already hurts our business on the weekends, but what can we do? And for us, requesting to raise the bet limits to 500 and [with, like,] maybe three tables at 1,000 was one of the things we could do.

~~We worked~~ [Work] with the WAC[, work] with the rules, ~~worked~~ with the commission and help us compete. And really at the end of the day, all we're trying to do is compete. And we're trying to compete in a marketplace that is saturated with competition. And the competitors sometimes have different rules and different tax structures and just different benefits. But allowing us to at least go to 500 and 1,000 in our high limit will at least give us a fighting chance. And that's what we're asking for. And this is part of the reason, everything costs more. You go back to 2009, nothing costs less and everything costs more. And obviously right now, we're in an exacerbated situation where inflation's obviously in the presence of mind to [of] everybody, but even previous to that labor was costing more, food was costing more. And at the same time, revenues are basically flat. And that's the challenge card rooms ~~have~~ [overall] on a macro level. So with that, we can hit the next slide.

This, again, just goes back to show you, over time we pay more in wages. It's sort of common sense and it's pretty obvious. In 2019, it was 12 as the minimum wage. And obviously in '22 it goes up to 14.49. That being said, some of our wages, depending on the job type, pay a lot more than that. It's no secret an average dealer in our facility, including tips making over 120,000 a year. So these are very good paying jobs and they're important jobs, I think, in this community. And at the same time, the bottom side, so support staff, cleaning, kitchen, where they're closer to the minimum wage, that piece is just going up. And it's one of the expenses we have to eat and we happily do, but it's also one of the ways we have to, on us, figure out how to create more revenue. And that's the reason we're here. So with that, we'll go to the next slide.

And this just hits it another way, showing the CPI, it shows hourly minimum wage. It shows going back all the way to 2008, what the maximum wagger could be. It's going up one time, I think, from 200 to 300, but [it shows you] the minimum wage, shows you how everything's gone up ~~with~~ [but] the bet limits. And so I'm hoping today is the day that we get this into rules and we start to work towards it, because we have an overall macro economy that's really making the card room struggle right now. So with that ~~and~~ [we] go to the next slide.

This is wager limit comparison. And so these are just things I already covered a few minutes ago. Card rooms were [at] 200, they got to go to 300. And it shows you over time from 2008 to 2021. And

now it shows you as high as 5,000 ~~are~~ on approved compacts. And as we know, there's another compact that's approved to be 10,000, but yet the card rooms are still at 500. And that's where we have to compete for that small segment of customers who wants to bet more, but they can't. And so they're left with no choice, but to leave our facility and gamble at a ~~travel~~ [Tribal] facility. And that's the challenge for us and that's where we're hoping to remediate today. With that and go to the next slide.

Product offering. I think everybody knows that tribes have a much more complete gambling offering. Facilities aren't comparable. They're going to have hotel rooms. They're going to have slot machines. They're going to have tables. They're going to have sports betting. They're going to have many more restaurants, parking garage. Ours are more like a neighborhood [inaudible 00:37:19]. We're 10,000 square feet and we're 15 table games and bar revenue and food revenue is a significant portion of our revenue. It can even be 30% in some of our cases.

And so we already have limited offers, ~~which~~ we offer table games. We don't offer slots. We don't offer sports betting. We don't offer a lot of the other gambling products that are allowed in the state, but what we do have is tables. And so this place where we have to cross over and compete directly with other competitors, we're forced to compete with people who have much larger robust offering in gaming than we do, and also much higher limit, which doesn't allow us to compete with the [same ...] ~~segment that~~ you know it's pretty lucrative and it's important to both the tribes and important to us. And of course important to the consumer because they're not allowed to choose us if they want to bet more than \$300. With that, you can go to the next slide.

This just shows you, how much are we really talking about? Basically 97 and half percent of our customers, their average bet's going to be under \$300. In fact, it's going to be significantly under \$300, but it represents 80% of our overall revenue. That next two and a half percent of the customers who bet \$300, they represent 20% of our revenue. And this shows you the impact of the top segment. And it shows you that what that bet constraint does, because if we're able to generate 20% of our revenues with two and a half percent of our consumers, knowing that we already don't get a lot of those consumers who want to bet more than 300, it can be very important and meaningful to the jobs, to the card rooms in the state, to all the support staff who work in Maverick Gaming, and to our companies and to our competitors ~~and~~ [in] the card rooms as well. We should have a chance to compete for that consumer that the tribes are having a monopoly room. And with that, go to the next slide.

And this just shows you the last thing. It's a very small [inaudible 00:39:23] customers who bet more than 300, it's two and a half percent, and it shows you the meaningfulness of those customers. But it also shows you when you think[ing] about one of the responsible things to talk about, and this is responsible gaming. And sometimes there's a misperception that, if people bet more, they're more likely to be problem gamblers. It's not really true at all. If you look to the data and you look at the customers and you look for people who self-exclude, the average self-exclusion person is going to bet less than \$75. What they have is other challenges in their life. They've lost their job, or maybe they'd have an addiction problem or whatever it is, but it's not directly correlated to the \$300 bet or to the wage[r] at all.

In fact, most of the customers who bet more are not the people [who] end up excluding themselves, they just have more discretionary income. And so it's incumbent on, I think, all of us. The gambling commission all the way down to Maverick, and we're a cheerleader, we're the biggest supporter of responsible gaming in the state of Washington. I think that's no secret and we're all about it. And so what we propose, we think it's a pretty modest request. We don't offer credit like the tribes do, so these are cash paying customers, I think which also helps remediate problem gaming issues because people don't get extended on credit in which case they can't get out. But it's very important to

us that you [sorta] size the consumer we're talking about. We think it'll probably add three or 4% to our consumer database, but it'll be very meaningful to us. So with that, you can go to the next slide.

This shows you, in detail, what I was just talking about. We have seven players with a bet of \$300 or greater. We have 104 people that was under. And so you got basically 99.8% of the people bet under 300. But if you were to break this down even further, I think it's 80% bet less than \$75. And so if you take a look at the total overall active database, we're not talking about an extra two or 300 customers per property. We're talking about 10, 20 players who can potentially come in with the ability to bet more. But those consumers sold 80/20 business in rule, could be very meaningful to us we were able to compete and get them to choose our property versus our competitor's properties. So with that, you can go to the next slide.

And this is responsible gambling. Look, we have linked all of our card rooms. If you self-excluded one of our properties, you self-excluded all. The gaming commission is very close, I think, to enacting an overall program where all the card rooms will be linked. So if you exclude yourself in one card room, you've excluded from all card rooms, whether the[y're are our] companies or not, which is great. Hopefully the next step is the tribes will plug into that and if you exclude yourself in the ~~travel~~ [Tribal] facility, you'll exclude yourself in card rooms[, which is]#s not currently the case. I'm not sure why not, because I don't think that if someone has a problem gambling issue at any casino, another casino should probably want them.

We're the biggest partner to Evergreen Council on problem gambling. And we have extensive training to identify problem gamblers and to get to them before gambling becomes a serious issue for them and their family. And that's what this slide's about. Next slide.

And this quantifies what we think will happen if, in fact, we were able to get the wager limits we're requesting today. We think that there'll be a lift of maybe on a macro level, across our 19 properties, about \$4 million, which would be result in another 400 in tax. If you take a look at the total of this, it ends up being around \$6.6 million after about a predicted seven and a half percent growth in high end play, resulting in about 660,000 in taxes. So if you take a look at 19 properties, 6.6 million, you're looking around 330,000 property, which is very meaningful to a card room. When a card room makes on average between, I'd say, 702 million of total EBITDA, it could be substantial for at least smaller card rooms, not just myself. With that, you can go to the next slide. I think that's it, I guess.

Vicky:

I'll just close out and then if there are questions... Again, just to reiterate, the rule making process, we're not asking you to take a vote on a particular wager limit or a structure for that today. We are asking that the commission embark on a rule making process to have that discussion and include everyone in that to arrive at the right change in wage[r] limits. The other thing I would add that we have left out of our slide and we want to put it back in there is, we haven't talked about the increase to the problem gambling account at the state level.

As you know, we pay an extra B&O tax that goes into the problem gambling account. Obviously an increased wage[r] limit will increase revenue- into that account. And we know that there is potentially still a shortfall for problem gambling in the state. And that's something that Maverick is very committed to working with the commission and the legislature to make sure that account is fully funded, and we hope to be a partner in that work. I had one last thing, but- it's flown out of my mind. Anyway, we're happy to answer any questions and thank you for consideration today.

Madam Chair:

Great. Commission Patterson, do you have a comment about that list?

~~Commissioner~~ [Vice Chair] Patterson:

I have a comment and a question. The problem gambling task force, I'm guessing that within the next month or so, will be able to provide the public with data that will indicate that the amount that's currently being invested in problem gambling is not adequate to meet the need in order to treat people with their addictions or to prevent. We can stand behind that with data that we have collected from a prevalence study that was done, and that information is going to be presented probably within a month or so. I might be wrong about this, so don't quote me, but it's possible that it might indicate that we may need to actually come close to doubling the amount, which is currently being invested in problem gambling. And I wanted to let you know that I'm hoping that the state legislature will work with you, and I'm hoping that you will be cooperative and open to that proposal that that increase occur. You don't have to say anything, but I just want to say that publicly.

Vicky:

I would like to say something publicly, because I know I speak for Eric and everybody at Maverick, that that is a top priority. Eric said to me once when I first took this client on, "I don't want a problem gambler in my seat [casino]. It's not the customer I want. I want somebody who's going to come enjoy a couple hours in the card room and have a good time with their friends." So it is 100% a commitment of ours and that's why Maverick was the first to institute a systemwide self-exclusion program. And we absolutely stand ready to work with the commission and the legislature to make sure the funding is adequate and play our part in that, for sure.

~~Commissioner~~ [Vice Chair] Patterson:

Appreciate that. And again, I just want to make sure I heard you correctly. You're saying that if someone excludes at one of your casinos, that they are excluded across the state of Washington?

Vicky:

For all of our casinos, at this point. And there was legislation a few years ago that would've required the statewide self-exclusion, and we've supported that since day one. And I know there's continuing work on that, and we hope that we're very close to a systemwide self-exclusion that includes ~~travel~~ [Tribal] properties and private card rooms so that we cannot have people shopping who have a problem.

~~Commissioner~~ [Vice Chair] Patterson:

Which is what they do.

Vicky:

Yes.

~~Commissioner~~ [Vice Chair] Patterson:

All right. Thank you, Madam Chair.

Madam Chair:

Great. Thank you for the presentation. I just want to say for me, personally, I appreciate the fact that you came in and aren't stuck to the numbers that you put forward, that you understand this could be a

conversation that were opening and moving from that. And [in] that same line, one thing that I'm not really appreciative, I guess, is the continual comparison to what the tribes have, because I just think these are two totally different things. The tribes come under IGRA, they have a different negotiation process. And I get maybe, from your perspective, it is competition, but that's just not how I'm going to look at this. This is something totally separate of what you might get and then what the tribes have. These are not conversations for me that are going to be productive if we continue with that [sort of] comparison game of, "Look what they have, look what they have," because that's just not ~~the~~ where I'm at on this.

But for me personally, I am open to potentially having that further conversation and understanding. And just so everybody is aware, not saying we're going to do this, but if we did open rule making, that doesn't necessarily mean anything. We have time to then go over everything, get together with stakeholders. And at the end of it, we could not pass anything or we could prove different numbers just so we're all on the same page there. So now, are there any other comments or questions from commissioners ex officios? Oh, Representative ~~Cloba~~ [Kloba].

Representative ~~Cloba~~ [Kloba]:

Yes, good morning. Thank you very much. I appreciate the opportunity to add a comment. And I'm very gratified to know that your support of the self-exclusion concept and being more broadly applied, very glad to have that. And just wanted to update you that we do, in fact, have that system fully operational now. And we've had people doing the self-exclusion across all of the non-tribal gaming and just wanted to make sure that you knew that tribes do have their own self-exclusion systems and they fully have the opportunity if they so choose to engage in the statewide self-exclusion, but as sovereign nations cannot be compelled to do so, that is something that I think we will continue to make it friendly. There are some infrastructure, like computer IT infrastructure hurdles that we have to get over before I think that that would be entirely practical, but certainly conversations that we are always open to.

And then I had a question if I may, Madam Chair. I represent a very small slice of Kirkland, not where one of your card rooms is located there in the Kings Gate area, but I noticed you were saying you're headquartered there in Kirkland and you have a number of corporate entities listed on the secretary of state's office. And many of them, which are headquartered in Kirkland are foreign limited liability corporations, like your Maverick Caribbean, Maverick Gold, Maverick All Star, Maverick

American, Indianola, Kirkland Two, Kirkland, all of those as foreign LLCs. **2** And I don't know enough about corporate structure to understand the difference between a foreign LLC and just a regular LLC. So can you help me out with that a little bit?

Eric:

Maverick Gaming is an overall company that has 27 casinos in three states. Our headquarters is in Kirkland, Washington. All of our LLCs are domestic LLCs, meaning that they're all based in the United States, all of them. And the LLCs are likely to be individual to each card room, basically for liability reasons. But they all roll up ultimately to our parent Maverick Gaming, which is based in Kirkland, Washington, whether they're casinos in Nevada or whether they're casinos in Colorado.

Vicky:

And what I would add to that and the commission staff could probably assist as well, but in order for any of these entities to be licensed in ~~of~~ [the] state of Washington, they have to do pretty specific and detailed forensic financial information and the gambling commission has to approve that. Be happy to

look further into what you're looking at, but you can feel safe knowing that these are all companies located here, Washington, Colorado, and Nevada, and the headquarters of Maverick Gaming is right there in Kirkland and happy to have you come visit our corporate offices anytime. To the first comment about self-exclusion, I did want to add, I completely understand the logistical hurdles. Still, for us, we would like to know if somebody self-excludes, let's say, at Emerald Queen so that we [don't] let them into our card room.

That's our ultimate goal and we'd like them to know as well when we self-exclude. And I liken it, Representative ~~Cloba~~ [Kloba], you might remember this. It's been a little over a decade or so ago when hospitals all came together with the state to work with the state to create a centralized prescription drug monitoring program, meaning all the hospitals are linked now through electronic systems. So if somebody is prescription shopping for opioids and they go to Valley Medical Center and then go over to Swedish, that is something that they know at Swedish. Those are different entities with different structures, different IT, and they were able to work it out. So from our perspective, that's something the state should be able to work out with our partners in the tribes and with our card rooms so that we can make sure we're keeping people with problems gambling out of all gambling activity in the state.

Representative ~~Cloba~~ [Kloba]:

Yes. And as the sponsor of the bill that created the system that is, as you all [well] know, a goal of mine as well, and again, with the IT infrastructure challenges that we have, it's helpful to remember that we are far behind the hospital and medical industry in terms of electric medical records. On their case and in our case it would be just a self-exclusion record, but we will continue to move along that spectrum and invite our tribal partners to work with us.

Madam Chair:

Okay. I see another hand raised, but I'm not sure who it is yet. Commissioner Lawson.

Commissioner Lawson:

Yes. Thank you, Madam Chair. I am like everyone else, I think, on this call, very sensitive to the concerns with inflation and the increased costs of doing business right now. And I appreciate the information that petitioner has provided. What I'm missing though is, under RCW 9.46.0325, social card games are authorized for a business that is primarily engaged in the selling of food or drink. And so I know other restaurants are also dealing with these pressures from increased costs of goods and increased wages. So they've had to compensate by increasing their prices to handle those increased pressures.

My question then is... How do I put this? **3 a** Wouldn't it be sort of special treatment to the house bank[ed] card rooms if you're allowed to keep those food and beverage prices low by subsidizing it with the increased wager limits where everyone else that's also a restaurant that doesn't have the card room experience available in their restaurant is having to raise their prices anyway? And then along

those same lines, **3 b** also under RCW 9.46.0325, and this is echoed in WAC 230-15-005, card games are meant to be a commercial stimulant. But the information that I'm seeing here looks more like it is that the wager limit is not being asked of us to stimulate your food and beverage business. It's being asked to offset the costs or to subsidize your food and beverage business, which I don't think is the intent of the legislation. So would you like to speak to that?



Vicky:

Yeah. I'll start and then I'll let Eric speak to the specifics on the pricing. Here's the deal. The max wager was \$200 for all those years. And now we're at 13 years ago, the commission [saw fit] [inaudible 00:57:03] that to adjust it based on the economics of the business. And so we're back 13 years later to ask the commission to consider adjusting it again. It's been something that the commission has done to account for the change in business over that time. You are correct, it is a commercial stimulant and I'll let Eric speak to the specifics on pricing. But it is also a robust business and we have to draw customers in. And that is where we are. It's been 13 years since it's been raised and we're asking for the commission to take the time to look at what the appropriate adjustment would be after that 13 years. You want to speak to the food prices?

Eric:

Sure. Our food and beverage prices, I think, along with most everyone have increased over 20% year over year, subsidizing. That's one of the areas in our business where we're able to actually charge more for beer or charge more for the food that we get. What we need is more people in the building who then will buy food and buy alcohol and spend more time in our facility. And so you can't just charge more to a gamer who comes to gamble because they get to choose the amount that they want to wage[r]. And you also can't just arbitrarily change the rules so you just take people's money faster. One, it would destroy the gaming experience, you'd probably lose your customers anyway. But two, you have to have obviously a fair game for your consumer. So by allowing a particular small segment of customers to bet more who want to bet more, we expect to see an overall lift corresponding to the seven and a half percent increase in our food and beverage as well throughout our ~~home~~ [whole] facility.

And so the food and beverage revenue is very important to our facilities. Like I said earlier, it can be upwards of 30% of our revenues in the building. And that has to do with the size and scope and scale. We're about overall across all the card [room]s, we're a 50 million [dollar] business compared to other ~~travel~~ [Tribal] facility, it'd be 2.2 billion. So we're much smaller. And so at the end of the day, we need to figure out a way to get every consumer we can into our building and compete in the ways that we can compete. And when I say compete, I'm not necessarily talking about competing with tribal facilities. What I'm saying is compete for a consumer who wants to gamble more, compete for a consumer who'd like to find a reason com[e into] ~~ing to~~ our building. That's ultimately what we're trying to do.

How do we find more people to come and spend more time in our facility? And we were thinking bet limits is one of the ways that we can do that. And so that's why we're requesting this because we're trying to have a robust, healthy card room to support the 80% of our business employees who work on the gaming side. And those jobs are important to us, they're important to the state. I think they're important to their families and everybody else. And so they're important to me because obviously I'm a [in] business for profit, hopefully. And ultimately I have 2,200 team members who have, I don't know, three or four family members as well, and it's very important to them. We don't subsidize our food and beverage so that we can get people to gain. We actually had to raise our price in food and beverage. We're just trying to identify new consumers who'd like to come in and ~~be~~ [bet] more and allow them a chance to [inaudible 01:00:18] come to our facility].

Vicky:

And unfortunately, we've seen a lot of restaurants that have had to close their doors because of the increased costs. Luckily, we haven't laid off a single person, even though we were closed for all those times. The cost of operating the tents, which many of you will remember the tents, cost Maverick about \$735,000 a month to keep those tents open. And that was done to keep our employees in their jobs, to

keep the business going. Because as anybody knows who's ever been in a business, if you shutter, it's really hard to reopen. So it's all about the commitment to keep these jobs, to keep the businesses whole and allow us to continue to provide that neighborhood experience to our consumers.

~~Representative Cloba~~ Commissioner Lawson:

Thank you.

Vicky [Madam Chair]:

Okay. Senator Conway, I believe you are next. You might be muted.

Senator Conway:

I muted, I see that. Can we have the slides that you presented made available to us? I thought they were very interesting. If you can give those out to us... It's hard for me to read the slides on these screens.

Vicky:

Yeah. I think they were in your packet, but we will also forward them, for sure.

Senator Conway:

Okay. If you'll forward those to us, that'd be great.

Vicky:

Yeah.

Senator Conway:

The other question I have is more for staff. And we know that the wager limit has been raised in some tribal casinos and not all. That's what the compact process has been, is [it's] not generic. It's really been specific to the compacts of particular tribes. And I'm curious how back in the late parts of this...

**4a** When we move[, increased] the wager limit to 300, did we do that through legislative work or was that done through the gambling commission? And did it apply to all gambling establishment? What is the history of the increase in wager limits that seemed to apply to everyone in the late period of this century or in, what is it, 2007 or '08, whenever that was done, how did we do that?

And how does our process differ today in terms of raising wager limits? Because that's an objective question, really, for staff. Because I think that right now our wager limits have been going up in our compacts, people are embracing by different tribes, these wager limits are going up. So it's not across the board in any way. And I'm just curious, how did we do this in the late part of the 2007 and '08? Do you remember, Tina? I guess that's a question for you or Julie. One or the other.

~~Speaker 8~~ [Director Griffin]:

Thank you, Senator. I can't speak to the timing, but the raffle wager limit is set by statute. And the punch for- [board/]pull tab wager limit is set by statute. Those are the only ones that are coming to my mind at this particular moment.

Senator Conway:



The card rooms were allowed to move to 300 in that period of time, I'm just curious how it was achieved. In their presentation, they point out that they got the same increase in that period of time to 300. Was it by legislative action or was it by... How was it achieved that? Sorry, I don't have a memory of it. I've been around a long time, but it would be interesting to know ~~could~~ [because] we increase the betting limit to \$300 and how did it happen?

~~Speaker 8~~ [Director Griffin]:

Okay. The house bank[ed] card room increase to \$300 would've been by rule.

Senator Conway:

Was by rule.

~~Speaker 8~~ [Director Griffin]:

Right. There is no wager limit for house bank[ed] card rooms in statute.

Senator Conway:

Right. And that applied also... Was compacted as well, it sounds like.

~~Speaker 8~~ [Director Griffin]:

Tribes... Just a moment, sir.

Senator Conway:

You don't need to answer the question today, but I think it is an open question as to how we got everyone to 300 at the same moment. And I'm just curious... We got recognized and not all tribes have the \$500 betting limit. Am I right on that?

~~Speaker 8~~ [Director Griffin]:

No. If I may, the \$300 was raised in 2008, 2009 for house bank[ed] card rooms by rule. It's my understanding that, and I'm trying to pull it up, the wager limits for ~~class three~~ [Class III] gaming activities, that is all set by compact first and foremost. And I believe that was set then in the original compacts as early as 1995 at \$500 limits. So we've only started increasing those \$500 limits through negotiations within the last few years.

Senator Conway:

Right. And it doesn't apply to all the gambling in this state either, does it, for the tribal gambling? They have the ability to do that if they choose through compact associations.

~~Speaker 8~~ [Director Griffin]:

Right.

Senator Conway:

**4b** If you can do me a favor and re-look at the history of when this happened, I'd be interested. We did raise the wager limits for the card rooms at one point, so let's figure out how we did it and why. I

think the request here to go to 500 is not something that's universal. That's my assessment anyway. Of course, the other piece of this that is interesting to me is that we've raised wager limits in conjunction with raising contributions on problem gambling with our tribes. And so they have been okaying that particular compact. So I think it pays all to try to think about wager limits, not as it has happened in our state. So with that, I'll look forward for a more conversation on that. Thank you.

Speaker 8 [Director Griffin]:

I have pulled up some information here if I may continue. I believe the statute went into effect in around 1997, 1998, establishing house bank[ed] card rooms. I wasn't in [L]icensing at the time, but I do recall that it took a period of time for those to get open. My information in front of me indicates that new house bank[ed] card rooms around 2000 had wager limits at \$25 where they experienced the ability to have \$100 wager limits. And then there was a rule change in 2004 for limited tables at 200. And then the most recent rule change 2008, 2009 increasing from 200 to 300. So that's just a brief summary of the history for wagering, all set by rule for house bank[ed] card rooms. Tribal would all be through tribal negotiations, \$500 being set at the time in 1995. And all tribes at this time that have not entered into the higher wagering appendix that nine tribes have, the other 13 are operating at \$500 limits. Thank you.

Madam Chair:

Commissioner Reeds [Reeves]?

Commissioner Reeds [Reeves]:

Thank you, Madam Chair. I have a couple questions if you'll indulge. And I asked these questions in the context of my background working in national security efforts and government[-to-government] relations as well as being an economic developer. One, I just want to say thank you for bringing the economic impact information. I think one of the things that I would like to request further understanding on, which is why I'll be voting to move this to rule making, because I think asking our staff to do this work with you all without the authorizing environment creates an undue burden on our staff who's already tasked with a lot of work, but would like to understand the difference, quite frankly. Tribes in my mind are a government to government much like when the Department of Defense negotiates with other groups, they're not negotiating against their best self interest.

And so I think much like Commissioner Levy said, I don't think of tribes as your competitor because I don't think they're regulated on the same level or in the same way that we are regulating a

private for-profit industry. **5** So one of the questions that I would have for you all is a better understanding when you talk about both inflation, are you tying this request from 300 to \$500 to change [chain] inflation? Because at the current change [chain] inflation rate, the CPI rate, it would only equate to \$398 rather than \$500. So just curious to understand how you got from three to five.

**6** Secondly, understanding your tier one, tier two, tier three supplier impact. So we talk obviously as an industrial base that, Mr. Persson, you describe it as wanting to bring more gamblers into your establishment with a recognition that Commissioner Lawson just highlighted, the RCW that really says that this started as a supplementary activity for restaurants and beverage organizations.

So one of the questions I'd like to understand is in that impact, that economic impact that you're talking about, you've done a great job of identifying how many workers this impacts, inflation rates, all

of that. What I guess I'm not seeing in your ripple impact is what those tier one, tier two, tier three suppliers look like and what that ripple into these communities really means when we use that language. So we'd [would] love to see some of that. And again, I think this will come out in the course of rule making conversation. And then the last question that I have for you all, and this is more directed to staff, but in the short time that I have been on the commission, it seems very much to me like we actually have three categories of gaming institutions here. One being tribal institutions, which again, are government to government tribal sovereignty regulated for the purposes of their economic wellbeing.

It seems to me like somewhere along the line, we shifted from really focusing on that restaurant retail, organizational base with a supplementary card room, or card activity, punch boards, whatever, to now actually having a full blown gambling industry. So kind of a second tier, if you will. And **7** I would love for staff as we go through this rule making process to identify those establishments that really market themselves as card rooms first versus the establishments that market themselves as bars. And an example, I use, I have a small local establishment that I go into in Federal Way called Scoreboard. And it markets itself as a restaurant bar retail space. It does not necessarily publicly market, "Come here for punch boards, et cetera." But when you go into the establishment, you then find there are punch boards and other gambling activities that you can participate in.

Whereas I think about places like the Silver Dollar or others where they're absolutely marketing themselves as a gambling establishment first, and then you go in and you can find out you can have Coke and Pepsi and all of that good stuff. So I guess I would really like to also use this rule making process to [understand] more distinctly where that division between restaurant and retail with a supplementary gambling activity versus a gambling activity with a supplementary restaurant in retail. Because I think that distinction needs to get made somewhere in this rulemaking process as a determination for how we're actually driving economic output and regulation around economic output in the conversation. Does that make sense? I hope I explained that okay.

~~Speaker 8~~ [Vicky]:

I'll step in on your questions and data interest and I share that interest and I appreciate, Commissioner... I think we view this again as the beginning of a conversation and have provided some basic information around wage increases, inflation, cost of goods. So all those things as part of the basis for asking the commission to move forward with this conversation. Everything you're talking about and the details that need to be explored further, that's exactly what we hope we can embark on with staff and with the commissioners and all stakeholders as we hopefully go forward with the rule making conversation. So appreciate all those. I think they're really good questions.

Madam Chair:

Commissioner Patterson.

~~Commissioner~~ [Vice Chair] Patterson:

I just want to say that I do think that, when the state of Washington negotiates with sovereign entities, when they negotiate with the Canadians over the border about, I don't know, fish or when they negotiate with the state of Oregon and work with them with regard to the impact of our different tax structures, or when they work with our [sovereign] Native American nations, I do think that it is relevant for the state of Washington to be considering how those negotiations impact their small businesses. I've been listening carefully here. I look forward to more conversation about that.

Madam Chair:

Commissioner Sizemore.

Commissioner Sizemore:

Good discussion, for sure. And I suppose as much as I've talked the last eight years on this commission, I'd probably better talk on this issue as well. And I'm not even sure if there is a question at the end of this, but I'm having a little bit of trouble with some of the comparisons or some of the rationale. In my mind, the rationale to initiate rule making is that the last time it was raised was 13 or 14 years ago. So that, in my mind, is probably adequate for us to take a look at the topic. Where I run into a little gritting of my teeth is, I look at our legislative declaration that talks about limiting the nature and scope of gambling activities by strict regulation and control.

I'm going to bet that the slide that showed California, Colorado, Nevada in comparison with Washington probably don't have that same legislative declaration. And I believe that legislative declaration there and the entire statute set of statutes determine how this commission can move forward and what we can and can't consider. So for me, I want to make sure that we're making these decisions or are given evidence to try to come to a new level of wagers that it's with the legislative declaration in mind. Cost of goods sold is, yes, going up for everyone. We understand that, but for me, it's not super compelling as far as why we should do this, because the rest of the food and beverage industry has those same sort of things. I understand that.

I look at when card rooms were okay. And you know what, from what I can tell the legislature didn't push back at the creation of them. And I think when they started, they had very low limits. And it ballooned up pretty substantially from what those initial limits were from what it started to 300 that's... And again, this is where you get into selection bias of the data. You can make things look really positive or really bad based on the data that you select to highlight. So I am supportive of going ahead and initiating this rule making, but **8** I want, for me, to be convinced it's going to require to fit within our legislative declaration and for the legislature to essentially indicate that they're supportive that we're still within our statute.

And I think that the legislature has done that to this point because they haven't passed a law or whatever to limit our ability to do this or consider a wager increase. So I'm supportive. I definitely want to make my decision based on some other things that aren't here. And I would imagine you all will be back. My old friend, Victor Mena and other operators will be back, because this is not just Maverick Gaming. This is all of the [inaudible 01:20:01] industry. I look forward to more conversation, but I may need some convincing before I can get there.

Madam Chair:

Great. Thank you, Commissioner Sizemore. Do we have any other commissioners or ex officios comments, questions? Okay. Is there any public comments? Is there anything in the email?

~~Speaker 11~~ [Barry Murray]:

I would like to make a [inaudible 01:20:34].

Madam Chair:

Yep, please.

~~Speaker 11~~ [Barry Murray]:

Do you want me to go up there or just do it right here?

Madam Chair:

I think you go up here, yeah.

~~Speaker 11~~ [Barry Murray]:

It's a small room so I could go [inaudible 01:20:41].

Madam Chair:

[inaudible 01:20:41] be on camera for everybody with a microphone up here. And if you could state your name and who you're with as well.

~~Speaker 11~~ [Barry Murray]:

Thank you, Madam Chair, commissioners, ex officios, representative, senators, everybody. Appreciate the moment to just express our support for this rule making going forward. And Eric, Vicky, Mavericks-

Madam Chair:

Can you identify yourself?

Barry:

Oh, I'm sorry. Barry Murray. I'm the owner's liaison for the Iron Horse casino.

Madam Chair:

Thank you.

Barry:

And again, echoing what the points they made, whether it's costs, I think I mentioned to Director Griffin this morning that I can't hire a cook for less than 22, \$23 an hour at this point. And it's becoming very challenging. Staffing's challenging everywhere, let's face it, but this is a nice step moving forward. And so we just wanted to echo the support for this moving forward. Thank you.

Madam Chair:

Thank you. Is there any other public... Okay. Tony Johns, I think your hand is raised. You might be muted.

Tony:

Okay. Can you hear me now?

Madam Chair:

Yes.

Tony:

Okay. Hi, my name is Tony Johns. I'm coming to you on behalf of Evergreen Gaming. I'm the general manager at both Chips and Palace Casinos in Lakewood. I just wanted to come to you and let you know that on behalf of Evergreen Gaming, we do support this rule change and really to echo what the representatives from Maverick are saying, with the increased costs of wages, the skyrocketing increases and inflation, really, it's become a challenge to kind of keep up with... Competitive wages is really what it comes down to from our perspective. We talk about competition, certainly when it comes to the tribal casinos from our perspective, when we talk about competing, we're talking about for similar jobs, similar positions.

Floor supervisor wages, wages with cooks, security staff, surveillance staff, that's where we see the competitive end of things, where we have to compete to be able to offer higher wages or competitive wages to those staff members. And that's where a lot of our challenges fall. So really, that's our take on that. And certainly we support the thought of bringing this petition forward for further discussion to really iron out the details and come to what everyone can agree is a workable solution to a lot of these problems that we face. And really, just dial in the details where everyone is comfortable with a wage increase, whatever that ends up looking like. And I thank you for your time.

Madam Chair:

Thank you. Is there any other public comments? Is there any [in]email? No? Okay.

~~Speaker 14~~ [Julie Anderson]:

Excuse me. We did have an email come in this morning. It was from him. We received an email from Mr. Johns this morning and he basically said everything that we have in writing. I can read it into the record if you want me to.

Madam Chair:

Oh, yes please. [Read it into the record.]

~~Speaker 14~~ [Julie Anderson]:

[inaudible 01:24:55] read it into the record? Okay. Tony Johns, general manager of Chips Casino and Palace Casino sent a letter through our website and it says: "Evergreen Gaming wishes to support the submitted rules petition requesting that the maximum wager limits be increased to \$500 and 1,000 limited to no more than three table games. Evergreen Gaming believes that this rule change is necessary to continue to keep up with the increasing wage growth and skyrocketing inflation. Evergreen Gaming wishes to remain competitive with its pay and benefits offering throughout the food and entertainment industry. The \$500 table limits will play a vital role [role] in doing this and the \$1,000 limits on up to three table games will allow us to provide a desirable option to the top 3% of guests who currently go out of state where comparable limits are [inaudible 01:26:03]." Run on sentence. "We thank you for your consideration for this rule change and look forward to participating in future discussions on how to implement the most effectively in a way that promotes safe and responsible gaming."

Madam Chair:

All right. Thank you. Okay. I think that wraps up public comments. So we can now go to a motion, if there is one.

Commissioner Sizemore:

I'll make a motion. I move to initiate rule making proceedings regarding wager limits for further discussion.

Madam Chair:

Okay. Is there a second?

~~Speaker 8~~ [Vice Chair Patterson]:

I'll second it.

Madam Chair:

Great. Any discussion on a motion? Commissioner Lawson.

Commissioner Lawson:

Yeah. I would prefer to see a petition that is more narrowly tailored to the specific needs of the business and that addresses the legislative intent and the legislative declarations that we have from our state legislature in the statutes. I think a more narrowly tailored position would really help us focus our further discussion on rule making, because this petition that's been submitted appears to me to be more at an everything-including-the-kitchen-sink petition with a specific theme, we'll say, of wanting the gambling commission to level the playing field with tribes where that's not necessarily within our purview because of the...{very unique relationship we have with tribes ~~end up in getting~~ [under the Indian Gaming] Regulatory Act. And so I would prefer to see a more narrowly ~~bracket~~ [drafted] petition from the petitioners.

Madam Chair:

Ok, thank you. Commissioner Reeves.

Commissioner Reeves:

Thank you, Madam Chair. So I think just in terms of comment, I want to make it clear at least my position ~~again~~ I, I do not like that we are, that it has been referenced that this is competition with the tribal market, and I just don't see that, at least [in] my personal opinion, [as who] ~~to~~ our competitors in this particular market are. I do believe that, as a regulatory agency, independent of what tribes, what our government[~~-to-~~]government relationship is [with Tribes], ~~we've tried~~ it is our job as a regula[tory] ~~rate~~ agency to regulate ~~the~~ [this] private sector market as a directed [in statute] ~~and thought you~~ and to really think about the economic impacts that it's having in community.

I do think that, in this rule making process, **5** I would like to see staff as I, as I mentioned, really take into consideration the economic factors. Things like raising the ~~major when it's~~ [wager limits] based on ~~change~~ [chain] inflation. **6** Thinking about how the tier one, tier two, tier three suppliers are impacted by ~~that~~ [this]. And then I really would like staff as part of this process to be thinking about the fact that I do think the commission needs to play a role in partnership with the legislature in redefining this this ~~after~~ [effort.] I really do think somewhere along the way we lost sight of the fact that it was not the legislature's intent for card rooms to market themselves as card rooms first and as restaurants and bars second, but rather the other way around. And so ~~we'd~~ [would] really like us to be thinking about as we

go through this weight or [wager] limit our conversation, <sup>9</sup> what are the triggers? What are the strings, if you will? What are the centers of influence that should determine, beyond the economic factors, when and why we raised the limits in card rooms or Huffman cover [house-banked card rooms]. And so I leave those three items again, want to just think [thank] the petitioners for their thoughtful discussion leading up to the the [this] petition today and for their willingness to understand our staff needs and being able to engage in the log [this dialogue].

Madam Chair:

Thank you. Commissioner Sizemore.

Commissioner Sizemore:

Thank you, chair. So I want to thank my ~~my~~ [fellow commissioners] Reeves and Lawson for their comments and perspective and, and I couldn't agree more, I think, on the tenor of what, what they're proposing. I would like to point out that my motion was intentional to not say "as proposed by the proponents," but simply to bring it around to the topic of wager limits.

So I think I think our staff is going to need we need to initiate rule making for them to invest the time and energy to do the research, engage the stakeholders and partners and bring forward, you know, potential proposals. So for that reason, I'll be supporting the motion, and I ask for support from the rest of the commissioners and realize that, yes, I am not suggesting that what was proposed should be ~~or~~ [our final product.]

Madam Chair:

Thank you. [I see Commissioner Lawson's hand.]

Commissioner Lawson:

Thank you. Commissioner Sizemore can you restate for us what your motion is so that we can just, based on the comments you just gave, have you just repeat what your motion is?

Commissioner Sizemore:

Sure. Chair, is that alright?

Madam Chair:

Yeah.

Commissioner Sizemore:

Ok, I believe my motion – and staff will correct me if I was wrong – was to initiate rule making proceedings regarding wager limits for further discussion. Chair, is that alright?

Commissioner Lawson:

Thank you.

Madam Chair:



Ok, so we have a motion. It was moved and seconded. There is a motion on the table so I'm going to ask Director Griffin to take a vote, do the roll call, please.

Director Griffin:

Certainly, Vice Chair, Patterson?

Vice Chair Patterson:

Aye.

Director Griffin:

Commissioner Reeves?

Commissioner Reeves:

Aye.

Director Griffin:

Commissioner Sizemore?

Commissioner Sizemore:

Aye

Director Griffin:

Commissioner Lawson?

Commissioner Lawson:

Aye

Director Griffin:

And, Chair Levy?

Madam Chair:

Aye

Director Griffin:

Five "ayes".

Madam Chair:

Thank you. Ok, so the motion passes. We'll move into... [2:25:57]}

**Questions on HBCR Wager Increase Rules Petition  
From the August 2022 Commission Meeting**

1. Why was the request in 2016 for increased HBCR wager limits withdrawn? What were the commission's concerns?

*See WSGC's Response to Question 1*

2. What is the difference between a foreign LLC and a regular LLC?

*See WSGC's Response to Question 2*

3. a. "Wouldn't it be sort of special treatment to the HBCRs if you're allowed to keep those food and beverage prices low by subsidizing it with increased wager limits where everyone else that's also a restaurant that doesn't have the card room experience available in their restaurant is having to raise their prices anyway?"

b. "...under RCW 9.46.0325 and WAC 230-15-005, card games are meant to be commercial stimulant. But the information I'm seeing here looks more like it is that the wager limit is not being asked of us to stimulate your food and beverage business. It's being asked to offset the costs or to subsize your food and beverage business, which I don't think is the intent of the legislation. So would you speak to that?"

*These questions appear to be directed to Maverick Gaming to respond to. Refer to the transcript for response by Vicky Christopherson and Eric Perrsons. See also Maverick's written materials in the rules packet.*

*See WSGC's Response to Questions 3 and 8*

4. a. "When we moved the wager limit to \$300, did we do that through legislative work or was that done through the Gambling Commission? And did it apply to all gambling establishments? What is the history of the increase in wagering limits that seemed to apply to everyone in the later period of this century or in, what is it 2007 or '08, whenever that was done, how did we do that?"
- b. "If you can do me a favor and re-look at the history of when this happened, I'd be interested. We did raise the wager limits for the card rooms at one point, so let's figure out how we did it and why."

*See WSGC's Response to Question 4*

5. “So one of the questions that I would have for you all is a better understanding when you talk about both inflation, are you tying this request from 300 to \$500 to ~~change~~ [chain] inflation? Because at the current ~~change~~ [chain] inflation rate, the CPI rate, it would only equate to \$398 rather than \$500. So just curious to understand how you got from three to five.”

***This question appears to be directed to Maverick Gaming to respond to. See Maverick’s written materials in the rules packet. See also WSGC’s Response to Question 5.***

6. Understanding of the tier one, tier two, and tier three supplier impacts. What is the ripple impact to the tier one, tier two and tier three suppliers look like and what that ripple into these communities really means when we use that language?

***WSGC will need to engage a contractor, most likely an economist, to determine the economic impact with increasing the HBCR wager limit to \$500 in the: value-added or produced into the community, employee compensation or earnings paid in compensation, and total employment via new jobs created or sustained.***

7. “I would love for staff as we go through this rule making process to identify those establishments that really market themselves as card rooms first versus the establishments that market themselves as bars.”

***WSGC staff needs more time to compile social media, print and commercial marketing materials for each of the 38 HBCRs.***

8. Does this fit within our legislative declaration “and for the legislature to essentially indicate that they’re supportive that we’re still within our statute.”

***See WSGC’s Response to Question 3 and 8***

9. What are the triggers? What are the strings, if you will? What are the centers of influence that should determine, beyond the economic factors, when and why we raise the limits in card rooms or house-banked card rooms?

***This seems to be a policy question that the Commissioners rather than staff responds to.***

## **WSGC's Response to Question 1**

### **Summary of the 2016 RGA Petition to Increase HBCR Wager Limits to \$500**

The RGA submitted a rules petition seeking to increase the HBCR wager limit from \$300 to \$500. The petition was heard at the September and October 2016 commission meetings.

At the September 8, 2016, meeting, a motion was made to file the petition for further discussion, but the motion did not initially receive a second. The following is a summary of the discussion amongst the Commissioners and Ex-Officios:

- Potential impacts on those people that have a problem with gambling;
- Raising the HBCR wager increase would lead to extreme limits in Washington;
- Number of wagers per hand and how that tie into the single wager limit;
- Parity with the tribes;
- How much the wager increase would afford the HBCRs; and
- Problems the private sector is having and attrition within the industry.

It was suggested that the Commissioners file the petition to allow for a deeper discussion on the topic in the future and then decide on a solid rationale for denying or approving the petition.

The vote was 5-0 to file the petition for further discussion.

Prior to the October 14, 2016, meeting, the petitioner withdrew their request for rulemaking. When asked to further explain why the RGA was withdrawing their petition, Victor Mena stated, "Mainly we don't want to be told no as an industry, and not have the opportunity to ask in the future. And that's really our fear."

After further discussion and public comment, the Commissioners voted 5 – 0 to withdraw the rule change.

Attached:

- September 8, 2016, Transcript of the HBCR wager limit increase petition
- September 8, 2016, Rules Summary package
- October 14, 2016, Transcript of the HBCR wager limit petition
- October 14, 2016, Rules Summary package

This transcript is a from the September 8, 2016 Commission Meeting related to HBCR wager limit increase petition.

## **7. Recreational Gaming Association Petition**

### **Wagering Limits for House-Banked Card Games**

**WAC 230-15-140** - Wagering limits for house-banked card games

**Director Trujillo:** Yes. Thank you, Mr. Chair. This is a requested amendment to WAC 230-15-140, wagering limits for house-banked card games. This is before you for the first time today for discussion and possible filing. We talked a little bit about it at study session last month, and again this morning.

It is only a one word change. It would change “3” to “5”. At this point currently, the wager limit is \$300. This is asking the wagering limit to be increased to \$500. In 1997, house-banked card rooms opened up with wagering limits of \$25, which increased to \$100 a little bit later. The last wagering increase was in 2009 which put a limit at \$300, which is almost seven years ago now.

I have to share a typo with you that is on page 2. The very first sentence at the top says, “There will be an increase in time spent by staff reviewing internal controls and games rules and answering questions.” I typed this and it was my mistake. It should say “may” as we don’t know for sure.

The legislature has clearly said that you can set wagering limits. If you contrast that with the number of tables, that is clearly in Statute up to 15 tables. Wagering limits is within your jurisdiction. If you look at the policy consideration, you should consider if this is consistent with the legislative declaration which defines social card games. Right now we have wagering limits in tribal gaming operations which have been \$500 since 1995, almost a quarter century. That is something to consider.

I would like to read a late arriving statement of support because I think there might be something to glean from this in light of our earlier discussion. This was written by Dave Fretz. He asks that we accept this note of support for the rule change, but more specifically he says, it’s been many years since the wagering limit has been increased. Initiative 1433 will be on the November ballot, and it is likely to pass. The Initiative will increase the minimum wage 16% from \$9.47 to \$11 on January 1, 2017. That is in part, part of the consideration when you look to why the petition was submitted;

This transcript is a from the September 8, 2016 Commission Meeting related to HBCR wager limit increase petition.

they're planning for the future. Are there any questions for me? If so, I'd be happy to answer them. Otherwise we can turn it over to the petitioner.

**Chair Sizemore:** Yeah. Any – Chris?

**Director Trujillo:** Commissioner Stearns?

**Commissioner Stearns:** It seems like what we're doing is in response to the request we would be increasing the limit so that the card rooms could make more money, is that right?

**Director Trujillo:** Yes.

**Commissioner Stearns:** So based on that assumption, do we have any sense of how much more money they would make?

**Director Trujillo:** At this point, no. I think what they're looking for is an option to increase the wager limits. They're like all businesses, the market will only bear certain increases. Not all house-banked card rooms would be able to operate all tables at \$500, let alone operate 24/7 at \$500. But I think they are looking for – and we'll double check this with the industry – is to have an option. If good nights happen to be Thursdays, that might be the time to do it. If they can never take advantage of it, they won't. But they might be able to go up to \$320 or \$450, or something like that. I'm only guessing, so I think we should hear from the petitioner and the public on specifics.

**Chair Sizemore:** Yep. All right, any other questions for Dave?

**Commissioner Gray:** No.

**Chair Sizemore:** If the petitioner would like to –

**Mr. Mena:** Commissioners, staff, ex-officio, Victor Mena again, President of the RGA. The RGA did submit this rule in light of the upcoming increase of expenses that we see in the future. It's not an

This transcript is a from the September 8, 2016 Commission Meeting related to HBCR wager limit increase petition.

easy thing for us to be able to pick up additional revenues. As you've seen before over the last two petitions that we've discussed from the RGA, they are things that hopefully could provide some stimulus to businesses. Unfortunately the card rooms and poker rooms don't have a real good mechanism to be able to do a price increase, unlike a coffee shop or a restaurant. It's not as direct, and it's not as easy to track how it would affect us.

Even with us acquiring a higher limit, it's still an unknown as far as if it will really do anything for us. We're really kind of grasping as an industry.

One of the things that is before you on this petition is that we would like to see if it is proved to be approved 31 days after filing. That's all I have.

**Chair Sizemore:** Okay, any questions? I'm trying to understand. An increase in the wagering limit from \$300 to \$500, so are we thinking that we're going to get new players that aren't coming in because the limits aren't high enough? Or are people going to just lose more money?

**Mr. Mena:** It's possible that we could attract different players, it's very possible. It's also possible that we might not. It's hard to say. Most of our card room businesses are local neighborhood bars, so most of our clientele are local regulars. There are some local regulars that would like to play at a higher limit.

I have nine locations. Of those nine locations, I can see maybe a couple of locations getting any benefit from this. But there are pockets in high metropolitan areas where there are more affluent players that this would actually be a benefit to those locations. I do have locations also in rural areas where this probably wouldn't even come into play.

**Chair Sizemore:** Okay.

**Mr. Mena:** Again, we don't see this as being a major piece, but we need to look at anything.

**Chair Sizemore:** Okay. Any other questions or further comments?

This transcript is a from the September 8, 2016 Commission Meeting related to HBCR wager limit increase petition.

**Ms. Chiechi:** Thank you, Mr. Chair. Again, Dolores Chiechi of the Recreational Gaming Association. We did send out a questionnaire to our members, and we have about 27 of the 50 card rooms that are members. We told them we submitted the petition and asked for the number of members that may offer a higher wager, on how many games, and how frequently. The responses we received back ranged from we'd make all tables \$500 all the time, to we don't have the market for it, but we hope that you are successful so that others can enjoy that option. We've had some say we might do it on a Friday and Saturday, or do it occasionally. So there is a range. But the consensus was we'd like to have the option. It may be a \$350 limit one day, or it may be a \$400 limit. It doesn't have to be \$500. It will help some operators, and other operators support it just because they like the idea of having the option. Thank you.

**Chair Sizemore:** All right. What is the pleasure?

**Commissioner Gray:** I'll move to file the petition for further discussion.

**Chair Sizemore:** Is there a second? No second. Our options are either to file, we can propose an alternative version of the rule, or we need to deny the petition in writing stating the reasons for the denial. Does anybody have some rationale for denial? Am I correct on that, Director?

**Director Trujillo:** Yes. Are you asking for reasons for denial or reasons for possible alternatives?

**Chair Sizemore:** I just laid out what we need to do next. And correct me if I'm wrong, it seems like if we can't get a second, that we are denying.

**Director Trujillo:** That's correct, sir.

**Chair Sizemore:** Or somebody can propose an alternative.

**Commissioner Patterson:** I don't have an alternative. I am torn by this because I don't know the effects that this potentially may have on people with problem gambling issues. It may just give them



This transcript is a from the September 8, 2016 Commission Meeting related to HBCR wager limit increase petition.

that much more of an opportunity to very quickly lose a tremendous amount of money. That's my hesitation. I understand that it will provide, or may provide, some of our businesses with additional revenue, but I just don't know that the trade off would be worth it when considering what the affects might be on people who are inclined to gamble irresponsibly. That's why I did not choose to second, Mr. Chair.

**Chair Sizemore:** Okay.

**Commissioner Troyer:** No, go ahead if you have something.

**Senator Mike Hewitt:** I can't vote on this, but can I weigh in on it?

**Chair Sizemore:** Absolutely.

**Senator Hewitt:** I'm hoping you at least take a look at this because we've had a pretty lengthy discussion, and a good discussion today, about the problems that the private sector is having. And I think we need to afford them every tool we can possibly give them. Senator, I agree with you that gambling is a problem. But they can walk into a big casino and stick as many tokens into those machines as they possibly want to and there is nobody there to stop them. So I'm hoping that the Commission will consider this and give these people another tool, if they so choose to use it, to allow them to have a higher stake if they want. That's all they're asking for. We talked this morning about the attrition in this industry, and it's pretty significant. That's my weigh in.

**Chair Sizemore:** Okay, and then –

**Commissioner Troyer:** I understand now, and correct me if I'm wrong, because I just wanted to talk about this before we move forward with it. You can play three hands at once, is that correct, and play the minimum? At this point, anybody that's playing the \$500/\$300 tables and the table is empty, somebody could go and play \$900 a hand the way the rule is set right now, right? \$300, \$300, \$300. So if your tables aren't that full, we're really not at a \$300 limit, we're at a \$900 limit, because people

This transcript is a from the September 8, 2016 Commission Meeting related to HBCR wager limit increase petition.

can play three hands all at once and have \$900 out there. If we change it, then all of a sudden we have \$1,500 out there. Am I right on that?

**Director Trujillo:** That's correct, Commissioner.

**Commissioner Troyer:** Okay. So I'm just being me, and I apologize for throwing a big wrench in this. What if you had a \$500 table limit and you only allowed one person one hand per play and got rid of the three hand thing? That would take money away from you because then all of a sudden a person is not going to be able to bet \$900, they're only going to be able to bet \$500. Is that good or bad? They can bet \$900 right now.

**Mr. Mena:** If the table is not full.

**Commissioner Troyer:** Which it's not going to be --

**Mr. Mena:** Right, yeah.

**Commissioner Troyer:** -- at \$300 and \$500 limits. Am I right on that? Or do you have full tables at \$300 limits?

**Director Trujillo:** Commissioner, I might be able to lend some clarity --

**Commissioner Troyer:** All right.

**Director Trujillo:** -- or perhaps confusion.

**Chair Sizemore:** Right.

**Director Trujillo:** It's not a matter or a function of whether or not the table is full to determine whether or not somebody has -- but right now the current rules allow for four separate games within a single hand of cards. Some of the proprietary games have multiple times in which you can place a bet.

This transcript is a from the September 8, 2016 Commission Meeting related to HBCR wager limit increase petition.

At this point our rules currently allow for four separate games, and one of those games has to be no more than \$5, and the other three can be the wager limit. So that would be \$905.

**Commissioner Troyer:** \$5 more.

**Director Trujillo:** Yeah. But that's within a game. It's not based upon whether or not you have empty spots on a table.

**Commissioner Troyer:** But if there are empty spots on the table, you can play three positions at \$300 each, right?

**Mr. Mena:** Yes, yes.

**Director Trujillo:** You can play more spots.

**Chair Sizemore:** Yeah.

**Director Trujillo:** You could fill in all the spots, yes.

**Chair Sizemore:** Yeah.

**Commissioner Troyer:** You can fill it in. If somebody wants to go bet that much money, they can.

**Director Trujillo:** Yes.

**Male Voice:** I didn't realize that.

**Commissioner Troyer:** Yeah.

**Chair Sizemore:** Mister –

This transcript is a from the September 8, 2016 Commission Meeting related to HBCR wager limit increase petition.

**Director Trujillo:** Now I understand your point, thank you, sir.

**Commissioner Troyer:** Yeah.

**Chair Sizemore:** Did you have a clarification there, Mr. Teeny?

**Mr. George Teeny:** Good afternoon, Commission, ex-officios, staff. Yeah, my name is George Teeny. I have a couple clubs in La Center, Washington. I'm 16 miles from the Oregon border off of I-5. As for me, it would help my business because we draw heavily from the Portland area. We guesstimate about 70% of our players come from the Portland area, Eugene, and the surrounding areas.

To answer the question about do we have tables full with \$300 limits, yeah, we do. On Friday and Saturday nights, if you come to the Frontier, I would say out of the eight house-banked games, we would have maybe seven or all eight full, every seat covered. Would each of them be betting \$300 a whack; probably not. But a percentage of those players would do it. In fact if you want to stay until 8:00 tonight and go to the Frontier, since it is up the road about 20 minutes and it has a great restaurant and you'll love the place, you could actually take view of that.

As for will we create problem gambling, worst case scenario for the 3% to 5% that have the problems, it's certainly possible. I'm not saying it won't happen. But we're more apt to bring in more players. If a person has a gambling problem, there are so many ways that their money can be taken, not just from these clubs, but from other casinos or the slot machines/lottery machines they have in Oregon. They will take all your money without any problem.

There is a concern with that, I don't want to minimize it. But I think overall it would help the industry. It would certainly help my room. As Victor says, he's got nine clubs and there's probably a percentage of them that wouldn't have it. I know that we would.

One of the things that was done around 2006 or 2007, and possibly Dave or Dolores can help me. There was a discussion about raising limits from \$100 to a higher limit. What they ended up doing is

This transcript is a from the September 8, 2016 Commission Meeting related to HBCR wager limit increase petition.

they gave 5 out of the 15 tables that are in play, or one-third of them, to a \$200 limit and the rest stayed at the \$100 limit for a period of time. When they found out that it didn't create any problems per se, and of course, you can define problem any way you want, the Commission allowed all tables to have the higher limits. But they did give them a period of time to monitor it to see if it caused any problems.

There's a variety of ways of judging this. I know that in poker, when we went to a higher limit and had the six month study group with Commissioner Ellis and others, they had us create a program, a sheet, that would denote how many players were playing in the higher limits. If there was an F&B increase, there was a list of qualifiers. I'm not necessarily saying that you would do that, but it gives maybe a little bit of comfort to can these problems be resolved by seeing actual data. That's all I have to say, unless you have any questions.

**Chair Sizemore:** Okay, thank you. We didn't implement the speak once on a topic, did we?

**Ms. Chiechi:** May I speak, Commissioner?

**Chair Sizemore:** Yes, you may, please.

**Ms. Chiechi:** Thank you. I just wanted to respond to your concern, Commissioner Patterson. I appreciate your attention to that issue 'cause it's important to me as well. I would remind you that our industry is the only segment who has actually proactively trained 2,000 employees across the State on the issue of problem gambling awareness and responsible gaming. I just had a meeting the other day with the Evergreen Council and staff, and they're implementing online training that they are expecting to launch in March. so any employee can go online and take the training and be aware of the issues. If anybody in the industry has awareness about problem gambling, it would be the card room industry's employees to note and take attention to anybody who appears to have an issue with problem gambling. Thank you.

**Commissioner Patterson:** Uh huh.

This transcript is a from the September 8, 2016 Commission Meeting related to HBCR wager limit increase petition.

**Chair Sizemore:** Okay, thank you.

**Commissioner Gray:** I guess my only comment is that I believe that the tribes have a \$500 limit.

**Chair Sizemore:** Uh huh.

**Commissioner Gray:** And that would provide some parity.

**Chair Sizemore:** Yeah. My preference would be that we file the petition. I'm unable to second the motion. But I think that if we file it, the RGA has heard our concerns. I don't think it would preclude us from putting constraints, reporting, or delving down a little deeper on the topic in the future. We could then make a determination over the next few months that there is a solid rationale for denying or approving the petition. So I would be a proponent for filing.

**Commissioner Troyer:** For discussion.

**Chair Sizemore:** For discussion, yes.

**Commissioner Troyer:** For further discussion.

**Chair Sizemore:** Yes, and it goes through the few months process.

**Commissioner Troyer:** And it could be months and months, if we're making changes.

**Chair Sizemore:** Sure.

**Commissioner Troyer:** You guys are used to it. Okay, I'll second.

**Chair Sizemore:** Okay. So we do have a second. Did I do that right?

**AAG Meader:** That was just fine. You got your second, so all is well.

This transcript is a from the September 8, 2016 Commission Meeting related to HBCR wager limit increase petition.

**Chair Sizemore:** Okay, all right.

**Commissioner Patterson:** Mr. Chair –

**Chair Sizemore:** Yes.

**Commissioner Patterson:** So we would essentially be voting to continue the discussion?

**Chair Sizemore:** To continue the discussion. To file the petition.

**Commissioner Patterson:** Right.

**Chair Sizemore:** And then that starts the petition process.

**Commissioner Patterson:** Okay. I will support a continued discussion about the topic.

**Chair Sizemore:** And file it.

**Commissioner Patterson:** And filing. But I do feel uneasy about expanding that limit.

**Chair Sizemore:** Understood.

**Commissioner Patterson:** So if we're talking about it, and maybe amending it, or seeing what we can do, then I will support moving forward.

**Chair Sizemore:** Okay.

**Commissioner Stearns:** Yeah. I do share the same concerns that Julia has about problem gambling. And I do appreciate all the work that the RGA has done on that. I'd like to continue some kind of

This transcript is a from the September 8, 2016 Commission Meeting related to HBCR wager limit increase petition.

discussion on that, and work with staff to get a better sense of how much money would be involved. Maybe there is a way to work on some alternative streams too.

**Chair Sizemore:** All right.

**Commissioner Patterson:** You know, I'm concerned that we increase it here, and then the tribes request an increase, and it would just seesaw back and forth, and then before long we would have limits that are extreme. So let's talk more about it.

**Chair Sizemore:** Okay. Any further discussion before we vote? All right, those in favor of filing for further discussion say aye.

**Commissioner Stearns:** Aye.

**Commissioner Gray:** Aye.

**Commissioner Troyer:** Aye.

**Commissioner Patterson:** Aye.

**Chair Sizemore:** Aye. Those opposed? All right, clear as mud? All right.

**Commissioner Patterson:** Thank you for your patience.





**Amend**

WAC: 230-15-140 Wagering Limits for House Banked Card Games

**September 2016 – Up for Discussion and Possible Filing**  
**August 2016 – Study Session**

Tab 7: September 2016 Commission Meeting Agenda.	Statutory Authority 9.46.070
<b>Who Proposed the Rule Change?</b>	
Executive Director Dolores Chiechi on behalf of the Recreational Gaming Association.	
<b>Describe the Proposed Change</b>	
<p>This change would authorize house-banked card game licensees to allow patrons to make wagers up to \$500 on house-banked card games.</p> <p>The current limitation set by the Commission of \$300 has been in place since early 2009. Before that, in 2004, the Commission limitation was increased to \$200 up from \$100. Before that (1997) house-banked card games opened up at \$25 dollars but increased to \$100 at a later date.</p> <p>Attachments:</p> <ul style="list-style-type: none"> <li>• OTS version</li> <li>• Petition</li> <li>• 9.46.010</li> <li>• 9.46.0282</li> <li>• 9.46.070</li> </ul>	
<b>Background</b>	
<p>Currently, wagers on house-banked card games are limited to \$300. Most gambling revenues in house-banked card game licensees are derived from these same games. House-banked card game licensees are commercial entities that pay local gambling taxes. The Legislature authorized card games as a social past time as long as they were strictly controlled.</p> <p>Tribal Gaming Operations are limited to \$500. In contrast most class III gaming revenues are derived from Tribal Lottery Systems. Class III gaming revenues support Tribal government operations and support local economies and community impacts. The Indian Gaming Regulatory Act of 1988 authorized class III gaming for the purpose of promoting Tribal self-sufficiency.</p>	
<b>Licensees Impacted</b> <b>Regulatory and Resource Impacts</b>	
This change would impact approximately fifty house-banked card game licensees.	

There will be an increase in time spent by staff in reviewing internal controls and game rules and answering questions.

For licensees that increase wagering limits, there may be an increase in cheating cases that must be investigated by the Commission. In 2008, the total number of cheating cases investigated by us was 65. In 2009, the total number of cheating cases investigated by us was 45. In 2010, the total number of cheating cases investigated by us was 56.

**Policy Considerations**

Whether this increase is consistent with the Legislative Declaration. The legislature defined “social card game” in RCW 9.46.0282 and this same RCW limits the number of tables per establishment to fifteen and the Commission will set a limit on wagers.

**Statements supporting and opposing**

None

**Staff Recommendation**

File for further discussion

**Proposed Effective Date for Rule Change**

The petitioner did not specify an effective date.

AMENDATORY SECTION (Amending WSR 08-20-025, filed 9/19/08, effective 1/1/09)

**WAC 230-15-140 Wagering limits for house-banked card games.** (1)  
A single wager or a bonus wager for an odds-based pay out must not exceed ((three)) five hundred dollars.

(2) A player may make a single wager for each decision before the dealer deals or reveals additional cards. For Blackjack, the player may place an additional wager for doubling down or splitting pairs.

(3) Bonus wagers for progressive jackpots must not exceed manufacturer's rules or limits listed in subsection (1) of this section.



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Post Office Box 1787 ♦ Olympia, WA 98507-1787 ♦ 360-352-0514

July 20, 2016

Washington State Gambling Commission  
P.O. Box 42400  
Olympia, WA 98504-2400

**RE: Petition for Rule Change:  
WAC 230-15-140 - Wagering limits for house-banked games**

Dear Commissioners:

On behalf of our members, we respectfully submit the attached rule change for your review and consideration.

This change would authorize licensees to allow patrons to make wagers up to \$500 on house-banked games offered in licensed, house banked card rooms.

Come January 2017, our members will need a mechanism to increase gambling receipts as they are unable to pass on the inevitable increased expenses:

- Proposed restructure and increase of WSGC license fees which may result in some HBCR licensees seeing up to a 150-200% increase;
- Passage of Initiative 1433 raising the minimum wage January 2, 2017 to \$11.00/hour; \$11.50 in 2018; \$12.00 in 2019 and \$13.50 in 2020 respectively; and,
- Mandated benefits: health care, paid sick/safe leave, and predictive scheduling initiatives

We anticipate letters of support from house banked card room patrons and licensees will ensue once the petitions appear on the Commission's formal agenda.

We request that the Commission consider filing this petition for further discussion.

Thank you in advance for your attention and consideration.

Sincerely,

*Dolores A. Chiechi*  
Dolores A. Chiechi  
Executive Director

Attachment

**UNITED WE STAND – DIVIDED WE FOLD**  
[WWW.RGA-WA.ORG](http://WWW.RGA-WA.ORG)

## **WAC 230-15-140 - REVISED**

### **Wagering limits for house-banked card games.**

(1) A single wager or a bonus wager for an odds-based pay out must not exceed ~~three~~ five hundred dollars.

(2) A player may make a single wager for each decision before the dealer deals or reveals additional cards. For Blackjack, the player may place an additional wager for doubling down or splitting pairs.

(3) Bonus wagers for progressive jackpots must not exceed manufacturer's rules or limits listed in subsection (1) of this section.

**From:** [Dolores Chiechi](#)  
**To:** [Griffin, Tina \(GMB\)](#); [Hunter, Amy \(GMB\)](#)  
**Cc:** [Trujillo, Dave \(GMB\)](#)  
**Subject:** RGA Rules Petition - HBCR Wager Limits  
**Date:** Wednesday, July 20, 2016 1:26:54 PM  
**Attachments:** [HBCR Wager Limits.docx](#)

---

Tina/Amy,  
Please find the attached petition for rule change to WAC 230-15-140: wager limits for house-banked card games.

Please let me know anything more is required.

Thank you for your attention.

*Dolores A Chiechi*  
*Executive Director*  
*Recreational Gaming Association*  
*PO Box 1787*  
*Olympia, WA 98507-1787*  
*360-352-0514 office*  
[WWW.RGA-WA.ORG](http://WWW.RGA-WA.ORG)

**UNITED WE STAND - DIVIDED WE FOLD**

**RCW 9.46.010****Legislative declaration.**

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.

It is hereby declared to be the policy of the legislature, recognizing the close relationship between professional gambling and organized crime, to restrain all persons from seeking profit from professional gambling activities in this state; to restrain all persons from patronizing such professional gambling activities; to safeguard the public against the evils induced by common gamblers and common gambling houses engaged in professional gambling; and at the same time, both to preserve the freedom of the press and to avoid restricting participation by individuals in activities and social pastimes, which activities and social pastimes are more for amusement rather than for profit, do not maliciously affect the public, and do not breach the peace.

The legislature further declares 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.

The legislature further declares that the conducting of bingo, raffles, and amusement games and the operation of punchboards, pull-tabs, card games and other social pastimes, when conducted pursuant to the provisions of this chapter and any rules and regulations adopted pursuant thereto, are hereby authorized, as are only such lotteries for which no valuable consideration has been paid or agreed to be paid as hereinafter in this chapter provided.

The legislature further declares that fishing derbies shall not constitute any form of gambling and shall not be considered as a lottery, a raffle, or an amusement game and shall not be subject to the provisions of this chapter or any rules and regulations adopted hereunder.

The legislature further declares that raffles authorized by the fish and wildlife commission involving hunting big game animals or wild turkeys shall not be subject to the provisions of this chapter or any rules and regulations adopted hereunder, with the exception of this section and RCW 9.46.400.

All factors incident to the activities authorized in this chapter shall be closely controlled, and the provisions of this chapter shall be liberally construed to achieve such end.

[ 1996 c 101 § 2; 1994 c 218 § 2; 1975 1st ex.s. c 259 § 1; 1974 ex.s. c 155 § 1; 1974 ex.s. c 135 § 1; 1973 1st ex.s. c 218 § 1.]

**NOTES:**

**Findings—1996 c 101:** See note following RCW 77.32.530.

**Effective date—1994 c 218:** "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [April 1, 1994]." [ 1994 c 218 § 20.]

**Severability—1974 ex.s. c 155:** "If any provision of this 1974 amendatory act, or its application to any person or circumstance is held invalid, the remainder of the act, or the

application of the provision to other persons or circumstances is not affected." [ **1974 ex.s. c 155 § 13; 1974 ex.s. c 135 § 13.**] Section 14 of the act, which provided for an effective date and that the act would be subject to referendum petition, was vetoed by the governor. The veto and the related message can be found in chapter 155, Laws of 1974 ex. sess.



**RCW 9.46.070****Gambling commission—Powers and duties.****The commission shall have the following powers and duties:**

(1) To authorize and issue licenses for a period not to exceed one year to bona fide charitable or nonprofit organizations approved by the commission meeting the requirements of this chapter and any rules and regulations adopted pursuant thereto permitting said organizations to conduct bingo games, raffles, amusement games, and social card games, to utilize punchboards and pull-tabs in accordance with the provisions of this chapter and any rules and regulations adopted pursuant thereto and to revoke or suspend said licenses for violation of any provisions of this chapter or any rules and regulations adopted pursuant thereto: PROVIDED, That the commission shall not deny a license to an otherwise qualified applicant in an effort to limit the number of licenses to be issued: PROVIDED FURTHER, That the commission or director shall not issue, deny, suspend, or revoke any license because of considerations of race, sex, creed, color, or national origin: AND PROVIDED FURTHER, That the commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(2) To authorize and issue licenses for a period not to exceed one year to any person, association, or organization operating a business primarily engaged in the selling of items of food or drink for consumption on the premises, approved by the commission meeting the requirements of this chapter and any rules and regulations adopted pursuant thereto permitting said person, association, or organization to utilize punchboards and pull-tabs and to conduct social card games as a commercial stimulant in accordance with the provisions of this chapter and any rules and regulations adopted pursuant thereto and to revoke or suspend said licenses for violation of any provisions of this chapter and any rules and regulations adopted pursuant thereto: PROVIDED, That the commission shall not deny a license to an otherwise qualified applicant in an effort to limit the number of licenses to be issued: PROVIDED FURTHER, That the commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(3) To authorize and issue licenses for a period not to exceed one year to any person, association, or organization approved by the commission meeting the requirements of this chapter and meeting the requirements of any rules and regulations adopted by the commission pursuant to this chapter as now or hereafter amended, permitting said person, association, or organization to conduct or operate amusement games in such manner and at such locations as the commission may determine. The commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(4) To authorize, require, and issue, for a period not to exceed one year, such licenses as the commission may by rule provide, to any person, association, or organization to engage in the selling, distributing, or otherwise supplying or in the manufacturing of devices for use within this state for those activities authorized by this chapter. The commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(5) To establish a schedule of annual license fees for carrying on specific gambling activities upon the premises, and for such other activities as may be licensed by the commission, which fees shall provide to the commission not less than an amount of money adequate to cover all costs incurred by the commission relative to licensing under this chapter and the enforcement by the commission of the provisions of this chapter and rules and regulations adopted pursuant thereto: PROVIDED, That all licensing fees shall be submitted

with an application therefor and such portion of said fee as the commission may determine, based upon its cost of processing and investigation, shall be retained by the commission upon the withdrawal or denial of any such license application as its reasonable expense for processing the application and investigation into the granting thereof: PROVIDED FURTHER, That if in a particular case the basic license fee established by the commission for a particular class of license is less than the commission's actual expenses to investigate that particular application, the commission may at any time charge to that applicant such additional fees as are necessary to pay the commission for those costs. The commission may decline to proceed with its investigation and no license shall be issued until the commission has been fully paid therefor by the applicant: AND PROVIDED FURTHER, That the commission may establish fees for the furnishing by it to licensees of identification stamps to be affixed to such devices and equipment as required by the commission and for such other special services or programs required or offered by the commission, the amount of each of these fees to be not less than is adequate to offset the cost to the commission of the stamps and of administering their dispersal to licensees or the cost of administering such other special services, requirements or programs;

(6) To prescribe the manner and method of payment of taxes, fees and penalties to be paid to or collected by the commission;

(7) To require that applications for all licenses contain such information as may be required by the commission: PROVIDED, That all persons (a) having a managerial or ownership interest in any gambling activity, or the building in which any gambling activity occurs, or the equipment to be used for any gambling activity, or (b) participating as an employee in the operation of any gambling activity, shall be listed on the application for the license and the applicant shall certify on the application, under oath, that the persons named on the application are all of the persons known to have an interest in any gambling activity, building, or equipment by the person making such application: PROVIDED FURTHER, That the commission shall require fingerprinting and national criminal history background checks on any persons seeking licenses, certifications, or permits under this chapter or of any person holding an interest in any gambling activity, building, or equipment to be used therefor, or of any person participating as an employee in the operation of any gambling activity. All national criminal history background checks shall be conducted using fingerprints submitted to the United States department of justice-federal bureau of investigation. The commission must establish rules to delineate which persons named on the application are subject to national criminal history background checks. In identifying these persons, the commission must take into consideration the nature, character, size, and scope of the gambling activities requested by the persons making such applications;

(8) To require that any license holder maintain records as directed by the commission and submit such reports as the commission may deem necessary;

(9) To require that all income from bingo games, raffles, and amusement games be recorded and reported as established by rule or regulation of the commission to the extent deemed necessary by considering the scope and character of the gambling activity in such a manner that will disclose gross income from any gambling activity, amounts received from each player, the nature and value of prizes, and the fact of distributions of such prizes to the winners thereof;

(10) To regulate and establish maximum limitations on income derived from bingo. In establishing limitations pursuant to this subsection the commission shall take into account (a) the nature, character, and scope of the activities of the licensee; (b) the source of all other

income of the licensee; and (c) the percentage or extent to which income derived from bingo is used for charitable, as distinguished from nonprofit, purposes. However, the commission's powers and duties granted by this subsection are discretionary and not mandatory;

(11) To regulate and establish the type and scope of and manner of conducting the gambling activities authorized by this chapter, including but not limited to, the extent of wager, money, or other thing of value which may be wagered or contributed or won by a player in any such activities;

(12) To regulate the collection of and the accounting for the fee which may be imposed by an organization, corporation, or person licensed to conduct a social card game on a person desiring to become a player in a social card game in accordance with RCW 9.46.0282;

(13) To cooperate with and secure the cooperation of county, city, and other local or state agencies in investigating any matter within the scope of its duties and responsibilities;

(14) In accordance with RCW 9.46.080, to adopt such rules and regulations as are deemed necessary to carry out the purposes and provisions of this chapter. All rules and regulations shall be adopted pursuant to the administrative procedure act, chapter 34.05 RCW;

(15) To set forth for the perusal of counties, city-counties, cities and towns, model ordinances by which any legislative authority thereof may enter into the taxing of any gambling activity authorized by this chapter;

(16)(a) To establish and regulate a maximum limit on salaries or wages which may be paid to persons employed in connection with activities conducted by bona fide charitable or nonprofit organizations and authorized by this chapter, where payment of such persons is allowed, and to regulate and establish maximum limits for other expenses in connection with such authorized activities, including but not limited to rent or lease payments. However, the commissioner's powers and duties granted by this subsection are discretionary and not mandatory.

(b) In establishing these maximum limits the commission shall take into account the amount of income received, or expected to be received, from the class of activities to which the limits will apply and the amount of money the games could generate for authorized charitable or nonprofit purposes absent such expenses. The commission may also take into account, in its discretion, other factors, including but not limited to, the local prevailing wage scale and whether charitable purposes are benefited by the activities;

(17) To authorize, require, and issue for a period not to exceed one year such licenses or permits, for which the commission may by rule provide, to any person to work for any operator of any gambling activity authorized by this chapter in connection with that activity, or any manufacturer, supplier, or distributor of devices for those activities in connection with such business. The commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission. The commission shall not require that persons working solely as volunteers in an authorized activity conducted by a bona fide charitable or bona fide nonprofit organization, who receive no compensation of any kind for any purpose from that organization, and who have no managerial or supervisory responsibility in connection with that activity, be licensed to do such work. The commission may require that licensees employing such unlicensed volunteers submit to the commission periodically a list of the names, addresses, and dates of birth of the volunteers. If any volunteer is not approved by the commission, the commission may require that the licensee not allow that person to work in connection with the licensed activity;

(18) To publish and make available at the office of the commission or elsewhere to anyone requesting it a list of the commission licensees, including the name, address, type of license, and license number of each licensee;

(19) To establish guidelines for determining what constitutes active membership in bona fide nonprofit or charitable organizations for the purposes of this chapter;

(20) To renew the license of every person who applies for renewal within six months after being honorably discharged, removed, or released from active military service in the armed forces of the United States upon payment of the renewal fee applicable to the license period, if there is no cause for denial, suspension, or revocation of the license;

(21) To issue licenses under subsections (1) through (4) of this section that are valid for a period of up to eighteen months, if it chooses to do so, in order to transition to the use of the business licensing services program through the department of revenue; and

(22) To perform all other matters and things necessary to carry out the purposes and provisions of this chapter.

[ **2012 c 116 § 1; 2007 c 206 § 1; 2002 c 119 § 1; 1999 c 143 § 6; 1993 c 344 § 1; 1987 c 4 § 38; 1981 c 139 § 3.** Prior: **1977 ex.s. c 326 § 3; 1977 ex.s. c 76 § 2; 1975-'76 2nd ex.s. c 87 § 4; 1975 1st ex.s. c 259 § 4; 1974 ex.s. c 155 § 4; 1974 ex.s. c 135 § 4; 1973 2nd ex.s. c 41 § 4; 1973 1st ex.s. c 218 § 7.**]

#### NOTES:

**Effective date—1993 c 344:** "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect June 1, 1993." [ **1993 c 344 § 2.**]

**Severability—1981 c 139:** "If any provision of this amendatory act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [ **1981 c 139 § 19.**]

**Severability—1974 ex.s. c 155:** See note following RCW **9.46.010**.

*Enforcement—Commission as a law enforcement agency: RCW **9.46.210**.*

**RCW 9.46.0282****"Social card game."**

"Social card game" as used in this chapter means a card game that constitutes gambling and is authorized by the commission under RCW 9.46.070. Authorized card games may include a house-banked or a player-funded banked card game. No one may participate in the card game or have an interest in the proceeds of the card game who is not a player or a person licensed by the commission to participate in social card games. There shall be two or more participants in the card game who are players or persons licensed by the commission. The card game must be played in accordance with the rules adopted by the commission under RCW 9.46.070, which shall include but not be limited to rules for the collection of fees, limitation of wagers, and management of player funds. The number of tables authorized shall be set by the commission but shall not exceed a total of fifteen separate tables per establishment.

[ 1997 c 118 § 1.]

**8. Petition from Recreational Gaming Association - Wagering Limits for House-Banked Card Rooms**

**WAC 230-15-140** Wagering limits for house-banked card games

**Director Trujillo:** Yes, Commissioners. Thank you. The next item in your packet is up for discussion. And it is the wager increase petition by the Recreational Gaming Association to increase the wager limits to WAC 230-15-140 from \$300 to \$500. The rule itself hasn't changed from when you filed it last month. Again, it's just simply replacing "3" in the rule language with "5".

What has happened since the last Commission meeting is the Recreational Gaming Association has submitted a request for the petition to be withdrawn. I did have a chance to speak with Dolores a little bit about that request this morning. I believe that she would like to share some thoughts with you, if you're open to that. Otherwise the rule petition is up for discussion this month. You can hold any action to November's meeting, but there is the request to withdraw the petition today.

**Chair Sizemore:** All right, thank you. Dolores or Victor.

**Mr. Mena:** Yeah, Dolores, she bowed out on me on this one.

**Chair Sizemore:** Yeah.

**Mr. Mena:** Victor Mena again. I think I'm on the record, right? We saw the discussion at the last meeting and were very cognitive of the fact that there is some angst with filing the rule. So at this point we felt it would be in our best interest to pull the rule, based on what we saw at the last meeting. That was our discussion.

**Chair Sizemore:** Okay, okay.

**Mr. Mena:** Okay.

**Chair Sizemore:** Thank you, sir. Any further public input? All right. So there are some options. What is the pleasure of the Commission?

**Commissioner Patterson:** Mr. Chair, I'd like to ask some questions. What are the pros and cons associated with allowing this to move forward with further discussion versus accepting the request for withdrawal from my colleagues' point of view? I'm interested in what you think about that.

**Commissioner Troyer:** Well if they don't have anything else to say, I don't think there's anything more to talk about.

**Commissioner Patterson:** Yeah.

**Commissioner Troyer:** They want to withdraw it.

**Commissioner Gray:** My understanding is that they want to withdraw it because we might not pass it.

**Commissioner Patterson:** I wish that you would come back up and explain once again why you want to withdraw it. Would you mind – is that all right, Mr. Chair?

**Chair Sizemore:** Sure.

**Commissioner Patterson:** Yeah, could you just be a little bit more direct?

**Chair Sizemore:** Within limits.

**Mr. Mena:** Within limits, yes.

**Commissioner Patterson:** Thank you, Mr. Chair.

**Mr. Mena:** You know, I guess history has taught us some things. In the past, and I mean way back in the past, we've filed for certain rules and sometimes they've met opposition and they were denied.

And then trying to file the rule later on, even within a couple of year's time, we have found that the answer was why are we talking about this again. And that is our fear, to be frank.

**Commissioner Patterson:** So there are things going on that might affect this particular request in a way that maybe we don't know all the answers to right now?

**Mr. Mena:** No, no, no. Mainly we don't want to be told no as an industry, and not have the opportunity to ask in the future. And that's really our fear.

**Commissioner Patterson:** I see.

**Mr. Mena:** Yeah. I mean there's really not too much more than that.

**Commissioner Patterson:** Okay.

**Chair Sizemore:** So with time, there may be a more robust rationale for making --

**Mr. Mena:** Well there could be an economic change.

**Chair Sizemore:** Right.

**Mr. Mena:** There could be an industry change we're not aware of. But I just think that it's better to pull something that we felt that Commissioners were not willing to do. So --

**Chair Sizemore:** Okay.

**Mr. Mena:** Yeah.

**Chair Sizemore:** All right, thank you. Monty, you had a comment?



**Mr. Harmon:** Good morning, Commissioners. Monty Harmon of Evergreen Gaming. I was not privileged to be here last month, but when the petition was filed, I was encouraged, and I would like to see further discussion, especially with the upcoming election and the initiative for minimum wage that's on the ballot. If that passes, the impact might sway the Commissioners decision to consider the future of the industry. And with that minimum wage increase, how our operations will be impacted.

I would be prepared next month to come forward and provide some financial information, given the status quo, what I see the impact of that initiative being. I don't see any reason to do that until it's passed. If it does, there's a 60% chance. That would be one reason to continue the discussion into the future.

One other point. We do have players that will play \$300 maximums, and then bet a second spot. So the market is there for customers that might want to just buy \$500 on a single hand. And that would impact operations as well.

**Chair Sizemore:** Okay.

**Mr. Harmon:** Thank you, sir.

**Chair Sizemore:** Thank you.

**Commissioner Patterson:** I have a question for Monty.

**Chair Sizemore:** For – yeah.

**Commissioner Patterson:** Monty, you're saying that because of the proposal on the ballot regarding minimum wage, it might be a good idea to allow this particular proposal to continue to move forward for another month because we might want to have some discussion regarding it after the election, as opposed to the other notion, and that is to withdraw this particular proposal and perhaps file it again, maybe in the same way or maybe in a different way, at a later time. We have to decide what we want

to do here. Are you saying hold on for another month, or are you agreeing that maybe we should just withdraw this particular proposal and hold open the opportunity for submitting it again in the future?

**Mr. Harmon:** My request was to go ahead and go forward. I'm not with the RGA, and I don't necessarily appreciate all of the innuendos with the filings and re-filings. But I do understand the timing. The minimum wage impact would be January 1, as I understand it. So for filing purposes, the timing on this particular petition works for being considered in November.

**Chair Sizemore:** Okay.

**Mr. Harmon:** Thank you.

**Chair Sizemore:** I guess my thoughts are –

**Commissioner Troyer:** Why don't you guys work together more on these things, to be honest. I mean they'd like to withdraw their petition, and everybody saw what direction we were going in, and they should be allowed to withdraw their petition.

**Commissioner Gray:** I agree. I understand that the RGA really wants to move ahead on this, or they would like to have a \$500 limit. I also understand that with timing, that by withdrawing this motion, it allows them to come back again at a later date. And I think we're going to see it. I think we're going to have that proposal back on our plate. And I think we should just go ahead and allow them to withdraw it. This is what they want to do.

**Chair Sizemore:** Okay.

**Commissioner Patterson:** So I would say that I agree. I also wanted to express the fact that I had some concerns that weren't particularly well articulated about whether or not we should be looking at, or thinking about, how this might affect problem gambling. Maybe discussing together whether or not we thought that it was relevant to make a connection there. And we really haven't had an opportunity to do that. So I had that concern.

So I would have to say that I'm glad to see that they're asking for this petition to be withdrawn. It gives us more time to do, maybe the right way.

**Chair Sizemore:** Sure.

**Commissioner Troyer:** Chair –

**Chair Sizemore:** Yes.

**Commissioner Troyer:** I make a motion that we accept the withdrawal of their petition.

**Chair Sizemore:** Okay. Is there a second?

**Commissioner Stearns:** I'll second.

**Chair Sizemore:** All right. And the rationale is they're asking to withdraw the wagering questions as not ready for prime time, maybe. All right, any further discussion on it?

**Commissioner Patterson:** I would just like to say when it comes back, I would like to talk to you all about the extent to which making changes like this might be affecting the problem gambling issue in the State of Washington. Thank you.

**Chair Sizemore:** Okay, all right. Dave, any more input before we decide this?

**Director Trujillo:** No, just a slight point of clarification for Commissioner Troyer. The Recreational Gaming Association represents many house-banked card rooms, but many are not members. Mr. Harmon is not a member of the –

**Commissioner Troyer:** I understand.

**Director Trujillo:** -- Recreational Gaming Association, and that may share with you why they might be at odds occasionally.

**Commissioner Troyer:** Oh, I'm aware.

**Director Trujillo:** Okay, sir. With that, Mr. Chair, I have no more input, unless you have specific questions.

**Chair Sizemore:** Okay, thank you. If there's no more discussion, then there's been a motion to accept the withdrawal from RGA, and it's been seconded. All those in favor say aye.

**Commissioner Gray:** Aye.

**Commissioner Patterson:** Aye.

**Commissioner Stearns:** Aye.

**Commissioner Troyer:** Aye.

**Chair Sizemore:** Aye. Those opposed? Motion is passed to withdraw the rule change.

**Director Trujillo:** Thank you, Mr. Chair.



**Amend**

WAC: 230-15-140 Wagering Limits for House Banked Card Games

**October 2016 – Discussion**  
**September 2016 – Filed for Further Discussion**  
**August 2016 – Study Session**

Tab 8: October 2016 Commission Meeting Agenda. Statutory Authority 9.46.070

**Who Proposed the Rule Change?**

Executive Director Dolores Chiechi on behalf of the Recreational Gaming Association (RGA).

**Describe the Proposed Change**

**Bold/Underline = Changes made after the September 2016 Commission Meeting**

This change would authorize house-banked card game licensees to allow patrons to make wagers up to \$500 on house-banked card games.

The current limitation set by the Commission of \$300 has been in place since early 2009. Before that, in 2004, the Commission limitation was increased to \$200 up from \$100. Before that (1997) house-banked card games opened up at \$25 dollars but increased to \$100 at a later date.

Attachments:

- Petition received from RGA
- 9.46.010
- 9.46.0282
- 9.46.070
- **Email(s)**

**Background**

Currently, wagers on house-banked card games are limited to \$300. Most gambling revenues in house-banked card game licensees are derived from these same games. House-banked card game licensees are commercial entities that pay local gambling taxes. The Legislature authorized card games as a social past time as long as they were strictly controlled.

Tribal Gaming Operations are limited to \$500. In contrast most class III gaming revenues are derived from Tribal Lottery Systems. Class III gaming revenues support Tribal government operations and support local economies and community impacts. The Indian Gaming Regulatory Act of 1988 authorized class III gaming for the purpose of promoting Tribal self-sufficiency.

**Licensees Impacted**  
**Regulatory and Resource Impacts**

This change would impact approximately fifty house-banked card game licensees.

There **may** be an increase in time spent by staff in reviewing internal controls and game rules and answering questions.

For licensees that increase wagering limits, there may be an increase in cheating cases that must be investigated by the Commission. In 2008, the total number of cheating cases investigated by us was 65. In 2009, the total number of cheating cases investigated by us was 45. In 2010, the total number of cheating cases investigated by us was 56.

**For licensees that increase wagering limits, there may be an increase in the amount of money paid to the WA Department of Revenue (DOR) for problem gambling. Since 2005, persons operating contests of chance (including card games) are subject to DOR’s B&O tax on the gross income of the business derived from contests of chance. There are two classifications. Effective August 2015, the rate was 0.015% if less than \$50,000 a year and 0.0163% if more than \$50,000. These revenues are used for the purposes of the Problem and Pathological Gambling Treatment Program administered by the Department of Social and Health Services.**

Policy Considerations

Whether this increase is consistent with the Legislative Declaration. The legislature defined “social card game” in RCW 9.46.0282 and this same RCW limits the number of tables per establishment to fifteen and the Commission will set a limit on wagers.

Statements supporting and opposing

**At the September Commission Meeting, Dolores Chiechi, Executive Director of the RGA, Victor Mena and George Teeny, officers of the RGA and HBCR operators testified in favor of the petition. See attachments.**

Staff Recommendation

Further Discussion

Proposed Effective Date for Rule Change

Effective 31 days from filing

AMENDATORY SECTION (Amending WSR 08-20-025, filed 9/19/08, effective 1/1/09)

**WAC 230-15-140 Wagering limits for house-banked card games.** (1) A single wager or a bonus wager for an odds-based pay out must not exceed ((three)) five hundred dollars.

(2) A player may make a single wager for each decision before the dealer deals or reveals additional cards. For Blackjack, the player may place an additional wager for doubling down or splitting pairs.

(3) Bonus wagers for progressive jackpots must not exceed manufacturer's rules or limits listed in subsection (1) of this section.



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Post Office Box 1787 ♦ Olympia, WA 98507-1787 ♦ 360-352-0514

July 20, 2016

Washington State Gambling Commission  
P.O. Box 42400  
Olympia, WA 98504-2400

**RE: Petition for Rule Change:  
WAC 230-15-140 - Wagering limits for house-banked games**

Dear Commissioners:

On behalf of our members, we respectfully submit the attached rule change for your review and consideration.

This change would authorize licensees to allow patrons to make wagers up to \$500 on house-banked games offered in licensed, house banked card rooms.

Come January 2017, our members will need a mechanism to increase gambling receipts as they are unable to pass on the inevitable increased expenses:

- Proposed restructure and increase of WSGC license fees which may result in some HBCR licensees seeing up to a 150-200% increase;
- Passage of Initiative 1433 raising the minimum wage January 2, 2017 to \$11.00/hour; \$11.50 in 2018; \$12.00 in 2019 and \$13.50 in 2020 respectively; and,
- Mandated benefits: health care, paid sick/safe leave, and predictive scheduling initiatives

We anticipate letters of support from house banked card room patrons and licensees will ensue once the petitions appear on the Commission's formal agenda.

We request that the Commission consider filing this petition for further discussion.

Thank you in advance for your attention and consideration.

Sincerely,

*Dolores A. Chiechi*  
Dolores A. Chiechi  
Executive Director

Attachment

**UNITED WE STAND – DIVIDED WE FOLD**  
[WWW.RGA-WA.ORG](http://WWW.RGA-WA.ORG)



## **WAC 230-15-140 - REVISED**

### **Wagering limits for house-banked card games.**

(1) A single wager or a bonus wager for an odds-based pay out must not exceed ~~three~~ five hundred dollars.

(2) A player may make a single wager for each decision before the dealer deals or reveals additional cards. For Blackjack, the player may place an additional wager for doubling down or splitting pairs.

(3) Bonus wagers for progressive jackpots must not exceed manufacturer's rules or limits listed in subsection (1) of this section.

**From:** [Dolores Chiechi](#)  
**To:** [Griffin, Tina \(GMB\)](#); [Hunter, Amy \(GMB\)](#)  
**Cc:** [Trujillo, Dave \(GMB\)](#)  
**Subject:** RGA Rules Petition - HBCR Wager Limits  
**Date:** Wednesday, July 20, 2016 1:26:54 PM  
**Attachments:** [HBCR Wager Limits.docx](#)

---

Tina/Amy,  
Please find the attached petition for rule change to WAC 230-15-140: wager limits for house-banked card games.

Please let me know anything more is required.

Thank you for your attention.

*Dolores A Chiechi*  
*Executive Director*  
*Recreational Gaming Association*  
*PO Box 1787*  
*Olympia, WA 98507-1787*  
*360-352-0514 office*  
[WWW.RGA-WA.ORG](http://WWW.RGA-WA.ORG)

**UNITED WE STAND - DIVIDED WE FOLD**

**RCW 9.46.010****Legislative declaration.**

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.

It is hereby declared to be the policy of the legislature, recognizing the close relationship between professional gambling and organized crime, to restrain all persons from seeking profit from professional gambling activities in this state; to restrain all persons from patronizing such professional gambling activities; to safeguard the public against the evils induced by common gamblers and common gambling houses engaged in professional gambling; and at the same time, both to preserve the freedom of the press and to avoid restricting participation by individuals in activities and social pastimes, which activities and social pastimes are more for amusement rather than for profit, do not maliciously affect the public, and do not breach the peace.

The legislature further declares 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.

The legislature further declares that the conducting of bingo, raffles, and amusement games and the operation of punchboards, pull-tabs, card games and other social pastimes, when conducted pursuant to the provisions of this chapter and any rules and regulations adopted pursuant thereto, are hereby authorized, as are only such lotteries for which no valuable consideration has been paid or agreed to be paid as hereinafter in this chapter provided.

The legislature further declares that fishing derbies shall not constitute any form of gambling and shall not be considered as a lottery, a raffle, or an amusement game and shall not be subject to the provisions of this chapter or any rules and regulations adopted hereunder.

The legislature further declares that raffles authorized by the fish and wildlife commission involving hunting big game animals or wild turkeys shall not be subject to the provisions of this chapter or any rules and regulations adopted hereunder, with the exception of this section and RCW 9.46.400.

All factors incident to the activities authorized in this chapter shall be closely controlled, and the provisions of this chapter shall be liberally construed to achieve such end.

[ 1996 c 101 § 2; 1994 c 218 § 2; 1975 1st ex.s. c 259 § 1; 1974 ex.s. c 155 § 1; 1974 ex.s. c 135 § 1; 1973 1st ex.s. c 218 § 1.]

**NOTES:**

**Findings—1996 c 101:** See note following RCW 77.32.530.

**Effective date—1994 c 218:** "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [April 1, 1994]." [ 1994 c 218 § 20.]

**Severability—1974 ex.s. c 155:** "If any provision of this 1974 amendatory act, or its application to any person or circumstance is held invalid, the remainder of the act, or the

application of the provision to other persons or circumstances is not affected." [ **1974 ex.s. c 155 § 13; 1974 ex.s. c 135 § 13.**] Section 14 of the act, which provided for an effective date and that the act would be subject to referendum petition, was vetoed by the governor. The veto and the related message can be found in chapter 155, Laws of 1974 ex. sess.

**RCW 9.46.070****Gambling commission—Powers and duties.****The commission shall have the following powers and duties:**

(1) To authorize and issue licenses for a period not to exceed one year to bona fide charitable or nonprofit organizations approved by the commission meeting the requirements of this chapter and any rules and regulations adopted pursuant thereto permitting said organizations to conduct bingo games, raffles, amusement games, and social card games, to utilize punchboards and pull-tabs in accordance with the provisions of this chapter and any rules and regulations adopted pursuant thereto and to revoke or suspend said licenses for violation of any provisions of this chapter or any rules and regulations adopted pursuant thereto: PROVIDED, That the commission shall not deny a license to an otherwise qualified applicant in an effort to limit the number of licenses to be issued: PROVIDED FURTHER, That the commission or director shall not issue, deny, suspend, or revoke any license because of considerations of race, sex, creed, color, or national origin: AND PROVIDED FURTHER, That the commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(2) To authorize and issue licenses for a period not to exceed one year to any person, association, or organization operating a business primarily engaged in the selling of items of food or drink for consumption on the premises, approved by the commission meeting the requirements of this chapter and any rules and regulations adopted pursuant thereto permitting said person, association, or organization to utilize punchboards and pull-tabs and to conduct social card games as a commercial stimulant in accordance with the provisions of this chapter and any rules and regulations adopted pursuant thereto and to revoke or suspend said licenses for violation of any provisions of this chapter and any rules and regulations adopted pursuant thereto: PROVIDED, That the commission shall not deny a license to an otherwise qualified applicant in an effort to limit the number of licenses to be issued: PROVIDED FURTHER, That the commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(3) To authorize and issue licenses for a period not to exceed one year to any person, association, or organization approved by the commission meeting the requirements of this chapter and meeting the requirements of any rules and regulations adopted by the commission pursuant to this chapter as now or hereafter amended, permitting said person, association, or organization to conduct or operate amusement games in such manner and at such locations as the commission may determine. The commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(4) To authorize, require, and issue, for a period not to exceed one year, such licenses as the commission may by rule provide, to any person, association, or organization to engage in the selling, distributing, or otherwise supplying or in the manufacturing of devices for use within this state for those activities authorized by this chapter. The commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(5) To establish a schedule of annual license fees for carrying on specific gambling activities upon the premises, and for such other activities as may be licensed by the commission, which fees shall provide to the commission not less than an amount of money adequate to cover all costs incurred by the commission relative to licensing under this chapter and the enforcement by the commission of the provisions of this chapter and rules and regulations adopted pursuant thereto: PROVIDED, That all licensing fees shall be submitted

with an application therefor and such portion of said fee as the commission may determine, based upon its cost of processing and investigation, shall be retained by the commission upon the withdrawal or denial of any such license application as its reasonable expense for processing the application and investigation into the granting thereof: PROVIDED FURTHER, That if in a particular case the basic license fee established by the commission for a particular class of license is less than the commission's actual expenses to investigate that particular application, the commission may at any time charge to that applicant such additional fees as are necessary to pay the commission for those costs. The commission may decline to proceed with its investigation and no license shall be issued until the commission has been fully paid therefor by the applicant: AND PROVIDED FURTHER, That the commission may establish fees for the furnishing by it to licensees of identification stamps to be affixed to such devices and equipment as required by the commission and for such other special services or programs required or offered by the commission, the amount of each of these fees to be not less than is adequate to offset the cost to the commission of the stamps and of administering their dispersal to licensees or the cost of administering such other special services, requirements or programs;

(6) To prescribe the manner and method of payment of taxes, fees and penalties to be paid to or collected by the commission;

(7) To require that applications for all licenses contain such information as may be required by the commission: PROVIDED, That all persons (a) having a managerial or ownership interest in any gambling activity, or the building in which any gambling activity occurs, or the equipment to be used for any gambling activity, or (b) participating as an employee in the operation of any gambling activity, shall be listed on the application for the license and the applicant shall certify on the application, under oath, that the persons named on the application are all of the persons known to have an interest in any gambling activity, building, or equipment by the person making such application: PROVIDED FURTHER, That the commission shall require fingerprinting and national criminal history background checks on any persons seeking licenses, certifications, or permits under this chapter or of any person holding an interest in any gambling activity, building, or equipment to be used therefor, or of any person participating as an employee in the operation of any gambling activity. All national criminal history background checks shall be conducted using fingerprints submitted to the United States department of justice-federal bureau of investigation. The commission must establish rules to delineate which persons named on the application are subject to national criminal history background checks. In identifying these persons, the commission must take into consideration the nature, character, size, and scope of the gambling activities requested by the persons making such applications;

(8) To require that any license holder maintain records as directed by the commission and submit such reports as the commission may deem necessary;

(9) To require that all income from bingo games, raffles, and amusement games be recorded and reported as established by rule or regulation of the commission to the extent deemed necessary by considering the scope and character of the gambling activity in such a manner that will disclose gross income from any gambling activity, amounts received from each player, the nature and value of prizes, and the fact of distributions of such prizes to the winners thereof;

(10) To regulate and establish maximum limitations on income derived from bingo. In establishing limitations pursuant to this subsection the commission shall take into account (a) the nature, character, and scope of the activities of the licensee; (b) the source of all other

income of the licensee; and (c) the percentage or extent to which income derived from bingo is used for charitable, as distinguished from nonprofit, purposes. However, the commission's powers and duties granted by this subsection are discretionary and not mandatory;

(11) To regulate and establish the type and scope of and manner of conducting the gambling activities authorized by this chapter, including but not limited to, the extent of wager, money, or other thing of value which may be wagered or contributed or won by a player in any such activities;

(12) To regulate the collection of and the accounting for the fee which may be imposed by an organization, corporation, or person licensed to conduct a social card game on a person desiring to become a player in a social card game in accordance with RCW 9.46.0282;

(13) To cooperate with and secure the cooperation of county, city, and other local or state agencies in investigating any matter within the scope of its duties and responsibilities;

(14) In accordance with RCW 9.46.080, to adopt such rules and regulations as are deemed necessary to carry out the purposes and provisions of this chapter. All rules and regulations shall be adopted pursuant to the administrative procedure act, chapter 34.05 RCW;

(15) To set forth for the perusal of counties, city-counties, cities and towns, model ordinances by which any legislative authority thereof may enter into the taxing of any gambling activity authorized by this chapter;

(16)(a) To establish and regulate a maximum limit on salaries or wages which may be paid to persons employed in connection with activities conducted by bona fide charitable or nonprofit organizations and authorized by this chapter, where payment of such persons is allowed, and to regulate and establish maximum limits for other expenses in connection with such authorized activities, including but not limited to rent or lease payments. However, the commissioner's powers and duties granted by this subsection are discretionary and not mandatory.

(b) In establishing these maximum limits the commission shall take into account the amount of income received, or expected to be received, from the class of activities to which the limits will apply and the amount of money the games could generate for authorized charitable or nonprofit purposes absent such expenses. The commission may also take into account, in its discretion, other factors, including but not limited to, the local prevailing wage scale and whether charitable purposes are benefited by the activities;

(17) To authorize, require, and issue for a period not to exceed one year such licenses or permits, for which the commission may by rule provide, to any person to work for any operator of any gambling activity authorized by this chapter in connection with that activity, or any manufacturer, supplier, or distributor of devices for those activities in connection with such business. The commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission. The commission shall not require that persons working solely as volunteers in an authorized activity conducted by a bona fide charitable or bona fide nonprofit organization, who receive no compensation of any kind for any purpose from that organization, and who have no managerial or supervisory responsibility in connection with that activity, be licensed to do such work. The commission may require that licensees employing such unlicensed volunteers submit to the commission periodically a list of the names, addresses, and dates of birth of the volunteers. If any volunteer is not approved by the commission, the commission may require that the licensee not allow that person to work in connection with the licensed activity;

(18) To publish and make available at the office of the commission or elsewhere to anyone requesting it a list of the commission licensees, including the name, address, type of license, and license number of each licensee;

(19) To establish guidelines for determining what constitutes active membership in bona fide nonprofit or charitable organizations for the purposes of this chapter;

(20) To renew the license of every person who applies for renewal within six months after being honorably discharged, removed, or released from active military service in the armed forces of the United States upon payment of the renewal fee applicable to the license period, if there is no cause for denial, suspension, or revocation of the license;

(21) To issue licenses under subsections (1) through (4) of this section that are valid for a period of up to eighteen months, if it chooses to do so, in order to transition to the use of the business licensing services program through the department of revenue; and

(22) To perform all other matters and things necessary to carry out the purposes and provisions of this chapter.

[ **2012 c 116 § 1; 2007 c 206 § 1; 2002 c 119 § 1; 1999 c 143 § 6; 1993 c 344 § 1; 1987 c 4 § 38; 1981 c 139 § 3.** Prior: **1977 ex.s. c 326 § 3; 1977 ex.s. c 76 § 2; 1975-'76 2nd ex.s. c 87 § 4; 1975 1st ex.s. c 259 § 4; 1974 ex.s. c 155 § 4; 1974 ex.s. c 135 § 4; 1973 2nd ex.s. c 41 § 4; 1973 1st ex.s. c 218 § 7.**]

#### NOTES:

**Effective date—1993 c 344:** "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect June 1, 1993." [ **1993 c 344 § 2.**]

**Severability—1981 c 139:** "If any provision of this amendatory act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [ **1981 c 139 § 19.**]

**Severability—1974 ex.s. c 155:** See note following RCW **9.46.010**.

*Enforcement—Commission as a law enforcement agency: RCW **9.46.210**.*



**RCW 9.46.0282****"Social card game."**

"Social card game" as used in this chapter means a card game that constitutes gambling and is authorized by the commission under RCW 9.46.070. Authorized card games may include a house-banked or a player-funded banked card game. No one may participate in the card game or have an interest in the proceeds of the card game who is not a player or a person licensed by the commission to participate in social card games. There shall be two or more participants in the card game who are players or persons licensed by the commission. The card game must be played in accordance with the rules adopted by the commission under RCW 9.46.070, which shall include but not be limited to rules for the collection of fees, limitation of wagers, and management of player funds. The number of tables authorized shall be set by the commission but shall not exceed a total of fifteen separate tables per establishment.

[ 1997 c 118 § 1.]

**From:** [David Fretz](#)  
**To:** [Griffin, Tina \(GMB\)](#)  
**Subject:** Wager Limit Increase to \$500  
**Date:** Thursday, September 01, 2016 9:51:23 AM  
**Attachments:** [image001.jpg](#)

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Tina,

Please accept this note as support for the rule change increasing wagering limits from \$300 to \$500. It has been many years since the wager limit has been increased. Initiative 1433 will be on the November ballot and is likely to pass. This Initiative will increase minimum wage 16% from \$9.47 to \$11.00 on January 1, 2017 and includes step increases to \$13.50 by 2020. The impact to our businesses will be significant since the compression effect of this increase will require us to raise wages in other area such as janitorial, cooks, security, surveillance and floor supervision. The total impact of this wage increase for a typical House Banked Card Room is likely to exceed \$200,000 in 2017. Our food and beverage prices will need to increase. However, without this bet limit adjustment, we'll be unable to increase our revenues enough to cover the impact of this change to minimum wage.

Regards,



David Fretz

President - Great American Gaming Corporation  
12715 4<sup>th</sup> Ave W.  
Everett, WA 98204  
253.480.3000 Ext. 100


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#### Notice Regarding Confidentiality of Transmission

This message is intended only for the person to whom it is addressed and may contain information that is privileged and confidential. If you are not the intended recipient, you are hereby notified that any dissemination or copying of this is prohibited. Please notify us of the error in communication by telephone (604) 303-1000 or by return e-mail and destroy all copies of this communication. Thank you.

# WSGC's Response to Question 2

Maverick Gaming LLC is a Washington Limited Liability Company, per a search of the Washington Secretary of State's website on January 29, 2023, <https://ccfs.sos.wa.gov/#/BusinessSearch/BusinessInformation>.

 Corporations and Charities Filing System

Business Information

**BUSINESS INFORMATION**

Business Name: MAVERICK GAMING LLC	UBI Number: 604 465 046
Business Type: WA LIMITED LIABILITY COMPANY	Business Status: ACTIVE
Principal Office Street Address: 12530 NE 144TH ST, KIRKLAND, WA, 98034-4508, UNITED STATES	Principal Office Mailing Address: 12530 NE 144TH ST, KIRKLAND, WA, 98034-4508, UNITED STATES
Expiration Date: 05/31/2023	Jurisdiction: UNITED STATES, WASHINGTON
Formation/ Registration Date: 05/21/2019	Period of Duration: PERPETUAL
Inactive Date:	Nature of Business: ANY LAWFUL PURPOSE

**REGISTERED AGENT INFORMATION**


Registered Agent Name: PHYLLIS ERMEY	Mailing Address: 12530 NE 144TH ST, KIRKLAND, WA, 98034-4508, UNITED STATES
Street Address: 12530 NE 144TH ST, KIRKLAND, WA, 98034-4508, UNITED STATES	

**GOVERNORS**

Title	Governors Type	Entity Name	First Name	Last Name
GOVERNOR	INDIVIDUAL		ERIC	PERSSON

Maverick Kirkland II, LLC dba Caribbean Cardroom in Kirkland, WA is listed as a “foreign limited liability company” per the Secretary of State's website, <https://ccfs.sos.wa.gov/#/BusinessSearch/BusinessInformation>.

Maverick Kirkland II, LLC is a foreign LLC because it is a “business that was created outside of Washington State”, per the Washington Secretary of State’s website, <https://www.sos.wa.gov/corporations-charities/business-entities/download-forms>. Whereby a domestic LLC is a “business that has registered under the laws of the State of Washington.”

 Corporations and Charities Filing System

Business Information

**BUSINESS INFORMATION**

Business Name: MAVERICK KIRKLAND II LLC	UBI Number: 604 454 787
Business Type: FOREIGN LIMITED LIABILITY COMPANY	Business Status: ACTIVE
Principal Office Street Address: 12530 NE 144TH ST, KIRKLAND, WA, 98034-4508, UNITED STATES	Principal Office Mailing Address: 12530 NE 144TH ST, KIRKLAND, WA, 98034-4508, UNITED STATES
Expiration Date: 07/31/2023	Jurisdiction: UNITED STATES, NEVADA
Formation/ Registration Date: 07/02/2019	Period of Duration: PERPETUAL
Inactive Date:	Nature of Business: ANY LAWFUL PURPOSE

**REGISTERED AGENT INFORMATION**

Registered Agent Name: PHYLLIS ERMEY	Mailing Address: 12530 NE 144TH ST, KIRKLAND, WA, 98034-4508, UNITED STATES
Street Address: 12530 NE 144TH ST, KIRKLAND, WA, 98034-4508, UNITED STATES	

**GOVERNORS**

Title	Governors Type	Entity Name	First Name	Last Name
GOVERNOR	ENTITY	MAVERICK CARIBBEAN LLC		

The Washington State Department of Revenue's website indicates that Maverick Kirkland II, LLC is incorporated in Nevada, [https://secure.dor.wa.gov/gteunauth/\\_/#3](https://secure.dor.wa.gov/gteunauth/_/#3).

Secretary of State Information ×

<b>Business name:</b>	MAVERICK KIRKLAND II LLC
<b>UBI #:</b>	604-454-787

<b>Active/Inactive:</b>	Active
<b>State of incorporation:</b>	NEVADA
<b>WA filing date:</b>	7/2/2019
<b>Expiration date:</b>	7/31/2023
<b>Inactive date:</b>	

For more information, visit the [Secretary of State website](#).

# Response to Questions 3 and 8

## History of Laws and Rules (Prepared by Commission Staff as of January 18, 2023)

The purpose of this document is to provide a historical review of the following laws and rules:

- RCW 9.46.010- Legislative declaration.
- RCW 9.46.070 (11)- Gambling commission- powers and duties.
- RCW 9.46.0217- “Commercial stimulant.”
- RCW 9.46.0282- “Social card game.”
- WAC 230-03-175- Requirements for commercial stimulant businesses.

### 1. RCW 9.46.010- Legislative declaration.

#### *History*

**1974** (HB 473- Attachment A)- RCW 9.46.010 was amended to authorize “card games.” Prior to this, “card games” were not authorized.

**1994** (HB 2228- Attachment B)- RCW 9.46.010 was amended to add an introductory statement as follows:

“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.”

### 2. RCW 9.46.070 (11)- Gambling commission- powers and duties.

#### *History*

**1974** (HB 473- Attachment A)- RCW 9.46.070 (11) (formerly subsection (9)) was amended to give the commission the power and duty to regulate social card games, including wagering limits. Specifically:

“To regulate and establish the type and scope of and manner of conducting social card games permitted to be played, and the extent of the wager, money or other thing of value which may be wagered or contributed or won by a player in a social card game.”

**1977** (HB 1133- Attachment C)- RCW 9.46.070 (11) (formerly subsection (9)) was amended as follows:

“To regulate and establish the type and scope of and manner of conducting ~~social card games permitted to be played, and the gambling activities authorized by RCW 9.46.030, including but not limited to,~~ the extent of the wager, money or other thing of value which

may be wagered or contributed or won by a player in ~~a social card game~~ any such activities.”

**1987** (HB 6- Attachment D)- RCW 9.46.070 (11) (formerly subsection (9)) had a minor amendment replacing “RCW 9.46.030” noted in the language above with “this chapter.”

### 3. Commercial Stimulant

*Applicable RCW’s Reviewed (WAC rule history noted in separate section)*

- RCW 9.46.0217 (formerly RCW 9.46.020)- “Commercial stimulant.”
- RCW 9.46.0325 (formerly RCW 9.46.030)- Social card games, punchboards, pull-tabs authorized.
- RCW 9.46.070- Gambling commission- powers and duties.

#### *History*

**1974** (HB 473- Attachment A)- RCW 9.46.0325 (formerly 030) and RCW 9.46.070 specifically authorized social card games “*as a commercial stimulant.*” Up to this point in time, both RCW’s in question only referenced punchboards and pull-tabs. Although “commercial stimulant” was referenced in both RCW’s, no definition of “commercial stimulant” existed yet.

**1977** (HB 1133- Attachment C)- A new definition of “commercial stimulant” was created in RCW 9.46.0217 (formerly 020) to read as follows:

“(5) ‘Commercial stimulant’. An activity is operated as a commercial stimulant, for the purposes of this chapter, only when it is an incidental activity operated in connection with, and incidental to, an established business, with the primary purpose of increasing the volume of sales of food or drink for consumption on that business premises. The commission may by rule establish guidelines and criteria for applying this definition to its applicants and licensees for gambling activities authorized by this chapter as commercial stimulants.”

Furthermore, RCW 9.46.0325 (formerly 030) was amended as follows:

“(4) The legislature hereby authorizes any person, association, or organization operating an established business primarily engaged in the selling of food or drink for consumption on the premises to conduct social card games and to utilize punch boards and pull-tabs as a commercial stimulant to such business when licensed...”

The definition above for RCW 9.46.0325 is the current definition to date.

Furthermore, RCW 9.46.070 was amended as follows:

“(2) To authorize and issue licenses for a period not to exceed one year to any person, association, or organization operating a business primarily engaged in the

selling of items of food or drink for consumption on the premises, approved by the commission meeting the requirements of this chapter and any rules and regulations adopted pursuant thereto permitting said person, association, or organization to utilize punch boards and pull-tabs and to conduct social card games as a commercial stimulant in accordance with the provisions of this chapter...”

The definition above for RCW 9.46.070 is the current definition to date.

**1987** (HB 6- Attachment D)- Repeal of RCW 9.46.020 which became RCW 9.46.0217 (i.e. definition of “commercial stimulant”). The definition did not change (same as noted above).

**1994** (HB 2382- Attachment E)- The definition of “commercial stimulant” in RCW 9.46.0217 was amended as follows:

“‘Commercial stimulant,’ as used in this chapter, means an activity is operated as a commercial stimulant, for the purposes of this chapter, only when it is an **incidental** activity operated in connection with ~~and incidental to~~, an established business, with the **primary** purpose of increasing the volume of sales of food or drink for consumption on that business premises. The commission may by rule establish guidelines and criteria for applying this definition to its applicants and licensees for gambling activities authorized by this chapter as commercial stimulants.”

The definition above for “commercial stimulant” is the current definition to date.

#### **4. RCW 9.46.0282- “Social card game” (formerly RCW 9.46.0281 and RCW 9.46.020).**

##### *History*

**1974** (HB 473- Attachment A)- The definition of “social card game” was first introduced in RCW 9.46.020 (18), which later became RCW 9.46.0281 and then 0282. The definition was long with multiple subsections. The definition prohibited house-banked games and referred to RCW 9.46.070- Gambling commission- powers and duties, as the authority to determine what card games were authorized along with the associated wagering limits.

**1987** (HB 6- Attachment D)- RCW 9.46.020 (18) became RCW 9.46.0281.

**1997** (SB 5560- Attachment F)- Repealed RCW 9.46.0281- “Social card game” definition in RCW 9.46.0281. Recodified new definition in RCW 9.46.0282. The new definition specifically authorized “house-banked” games. The new definition also set a limit of 15 tables. The revised definition continued to refer to RCW 9.46.070 as the authority to determine what card games were authorized along with the associated wagering limits.

#### **5. WAC 230-03-175- Requirements for commercial stimulant businesses (formerly WAC 230-04-080).**

##### *History*

Note: WAC archive does not go back past 1977.

**1974-** WAC 230-04-080- *Certain activities to be operated as a commercial stimulant only.* This rule was simple at the time noting “...punchboards and pull-tabs or public card rooms, licensed for use as a commercial stimulant shall not be operated other than as a commercial stimulant.”

**1995** (95-07-094- Attachment G)- Amended WAC 230-04-080 significantly. Multiple subsections added to rule to include for example:

“The commission may issue a license to operate punchboards and pull tabs or public card rooms, licensed for use as a commercial stimulant as commercial stimulants to any established business primarily engaged in the sale of food and/or drink items for consumption on the licensed premises. Such activities shall not be operated other than as a commercial stimulant. The following requirements apply to applicants for a license to use gambling activities to stimulate food and/or drink sales:...

The total gross sales of food and/or drink, for on premises consumption, is equal to or greater than all other combined nongambling gross sales, rentals, or other income producing activities which occur on the licensed premises when measured on an annual basis. Applicants seeking qualification for a license under this subsection shall submit data necessary to evaluate compliance with these requirements as a part of their application...”

**1999** (99-18-002- Attachment H)- Amended WAC 230-04-080. Main change noted below:

“The commission may issue a license to operate punchboards and pull tabs or public card rooms as commercial stimulants to any established business primarily engaged in the sale of food and/or drink items for consumption on the licensed premises. Such activities shall not be operated other than as a commercial stimulant and the food and/or drink business shall be open and providing service to the general public at all times gambling activities are operated.”

**2006** (06-07-157- Attachment I)- Rules simplification. WAC 230-04-080 was repealed and WAC 230-03-175 was formed. Part of the new language in WAC 230-03-175 read as follows:

“Businesses must provide evidence for us to determine the business' qualifications as a commercial stimulant as set forth in RCW 9.46.0217. That evidence includes, but is not limited to:

(2) Proof that it is ‘primarily engaged in the selling of food or drink for consumption on premises’ as used in RCW 9.46.070 (2). ‘Primarily engaged in the selling of food or drink for consumption on premises’ means that before receiving a gambling license the business has total gross sales of food or drink for on-premises consumption equal to or greater than all other combined gross sales, rentals, or other income-producing activities which occur on the business premises when measured on an annual basis.”



**2007** (07-21-116- Attachment J)- Amended WAC 230-03-175. No material changes to commercial stimulant definition. The language adopted here is the current language of the rule to date.

# Attachment A

Ch. 155 WASHINGTON LAWS, 1974 1st Ex.Sess. (43rd Legis.3rd Ex.S.)

1973 1st ex. sess. and to chapter 9.46 RCW; repealing section 28, chapter 218, Laws of 1973 1st ex. sess. and RCW 9.46.280; prescribing penalties; declaring an emergency and prescribing an effective date.

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

Section 1. Section 1, chapter 218, Laws of 1973 1st ex. sess. and RCW 9.46.010 are each amended to read as follows:

It is hereby declared to be the policy of the legislature, recognizing the close relationship between professional gambling and organized crime, to restrain all persons from seeking profit from professional gambling activities in this state; to restrain all persons from patronizing such professional gambling activities; to safeguard the public against the evils induced by common gamblers and common gambling houses engaged in professional gambling; and at the same time, both to preserve the freedom of the press and to avoid restricting participation by individuals in activities and social pastimes, which activities and social pastimes are more for amusement rather than for profit, do not maliciously affect the public, and do not breach the peace.

The legislature further declares 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.

The legislature further declares that the conducting of bingo, raffles, and amusement games and the operation of punch boards, pull-tabs, card games and other social pastimes, when conducted pursuant to the provisions of this chapter and any rules and regulations adopted pursuant thereto, are hereby authorized, as are only such lotteries for which no valuable consideration has been paid or agreed to be paid as hereinafter in this chapter provided.

All factors incident to the activities authorized in this chapter shall be closely controlled, and the provisions of this chapter shall be liberally construed to achieve such end.

Sec. 2. Section 2, chapter 218, Laws of 1973 1st ex. sess. and RCW 9.46.020 are each amended to read as follows:

(1) "Amusement game" means a game played for entertainment in which:

- (a) The contestant actively participates;
- (b) The outcome depends in a material degree upon the skill of the contestant;
- (c) Only merchandise prizes are awarded;
- (d) The outcome is not in the control of the operator;

# Attachment A

WASHINGTON LAWS, 1974 1st Ex.Sess. (43rd Legis.3rd Ex.S.) Ch. 155

said tickets by the person or persons conducting the game, when said game is conducted by a bona fide charitable or nonprofit organization, no person other than a bona fide member of said organization takes any part in the management or operation of said game, and no part of the proceeds thereof inure to the benefit of any person other than the organization conducting said game, or to the winner or winners of said prize or prizes.

(18) "Social card game" means a card game, including but not limited to the game commonly known as 'Mah Jongg', which constitutes gambling and contains each of the following characteristics:

(a) There are two or more participants and each of them are players; and

(b) A player's success at winning money or other thing of value by overcoming chance is in the long run largely determined by the skill of the player; and

(c) No organization, corporation or person collects or obtains or charges any percentage of or collects or obtains any portion of the money or thing of value wagered or won by any of the players; PROVIDED, That this item (c) shall not preclude a player from collecting or obtaining his winnings; and

(d) No organization or corporation, or person collects or obtains any money or thing of value from, or charges or imposes any fee upon, any person which either enables him to play or results in or from his playing; PROVIDED, That this item (d) shall not apply to the membership fee in any bona fide charitable or nonprofit organization or to an admission fee allowed by the commission pursuant to section 4 of this 1974 amendatory act; and

(e) The type of card game is one specifically approved by the commission pursuant to section 4 of this 1974 amendatory act; and

(f) The extent of wagers, money or other thing of value which may be wagered or contributed by any player does not exceed the amount or value specified by the commission pursuant to section 4 of this 1974 amendatory act.

(19) "Thing of value" means any money or property, any token, object or article exchangeable for money or property, or any form of credit or promise, directly or indirectly, contemplating transfer of money or property or of any interest therein, or involving extension of a service, entertainment or a privilege of playing at a game or scheme without charge.

(20) "Whoever" and "person" include natural persons, corporations and partnerships and associations of persons; and when any corporate officer, director or stockholder or any partner authorizes, participates in, or knowingly accepts benefits from any violation of this chapter committed by his corporation or

# Attachment A

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partnership, he shall be punishable for such violation as if it had been directly committed by him.

Sec. 3. Section 3, chapter 218, Laws of 1973 1st ex. sess. and RCW 9.46.030 are each amended to read as follows:

(1) The legislature hereby authorizes bona fide charitable or nonprofit organizations to conduct bingo games, raffles, amusement games, fishing derby, ((and)) to utilize punch boards and pull-tabs and to allow their premises and facilities to be used by members and guests only to play social card games authorized by the commission, when licensed ((and)), conducted or operated pursuant to the provisions of this chapter and rules and regulations adopted pursuant thereto.

(2) Bona fide charitable or bona fide nonprofit organizations organized primarily for purposes other than the conduct of raffles, are hereby authorized to conduct raffles without obtaining a license to do so from the commission when such raffles are held in accordance with all other requirements of chapter 9.46 RCW, other applicable laws, and rules of the commission; when gross revenues from all such raffles held by the organization during the calendar year do not exceed \$5000; and when tickets to such raffles are sold only to, and winners are determined only from among, the regular members of the organization conducting the raffle: PROVIDED, That the term members for this purpose shall mean only those persons who have become members prior to the commencement of the raffle and whose qualification for membership was not dependent upon, or in any way related to, the purchase of a ticket, or tickets, for such raffles.

((2)) (3) The legislature hereby authorizes any person, association or organization to conduct social card games and to utilize punch boards and pull-tabs as a commercial stimulant when licensed and utilized or operated pursuant to the provisions of this chapter and rules and regulations adopted pursuant thereto.

((3)) (4) The legislature hereby authorizes the management of any agricultural fair as authorized under chapters 15.76 and 36.37 RCW to conduct amusement games when licensed and operated pursuant to the provisions of this chapter and rules and regulations adopted pursuant thereto as well as authorizing said amusement games as so licensed and operated to be conducted ((upon any property of a city of the first class devoted to uses incident to a civic center; worlds fair or similar exposition)) as a part of and upon the site of:

(a) A civic center of a city with a population of twenty thousand or more persons as of the most recent decennial census of the federal government; or

(b) A worlds fair or similar exposition which is approved by the Bureau of International Expositions at Paris, France; or

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(c) A community-wide civic festival held not more than once annually and sponsored or approved by a city or town.

The penalties provided for professional gambling in this chapter, shall not apply to bingo games, raffles, punch boards, pull-tabs, amusement games, or fishing derby, when conducted in compliance with the provisions of this chapter and in accordance with the rules and regulations of the commission.

Sec. 4. Section 7, chapter 218, Laws of 1973 1st ex. sess. as amended by section 4, chapter 41, Laws of 1973 2nd ex. sess. and RCW 9.46.070 are each amended to read as follows:

The commission shall have the following powers and duties:

(1) To authorize and issue licenses for a period not to exceed one year to bona fide charitable or nonprofit organizations approved by the commission meeting the requirements of this chapter and any rules and regulations adopted pursuant thereto permitting said organizations to conduct bingo games, fishing derby, raffles, amusement games, and social card games to utilize punch boards and pull-tabs in accordance with the provisions of this chapter and any rules and regulations adopted pursuant thereto and to revoke or suspend said licenses for violation of any provisions of this chapter or any rules and regulations adopted pursuant thereto: PROVIDED, That ((any license issued under authority of this section shall be legal authority to engage in the gambling activity for which issued throughout the incorporated and unincorporated areas of any county unless a county, or any first class city located therein with respect to such city, shall prohibit such gambling activity: PROVIDED, FURTHER, That)) the commission shall not deny a license to an otherwise qualified applicant in an effort to limit the number of licenses to be issued: PROVIDED FURTHER, That the commission or director shall not issue, deny, suspend or revoke any license because of considerations of race, sex, creed, color, or national origin: AND PROVIDED FURTHER, That the commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(2) To authorize and issue licenses for a period not to exceed one year to any person, association or organization approved by the commission meeting the requirements of this chapter and any rules and regulations adopted pursuant thereto permitting said person, association or organization to utilize punch boards and pull-tabs and to conduct social card games as a commercial stimulant in accordance with the provisions of this chapter and any rules and regulations adopted pursuant thereto and to revoke or suspend said licenses for violation of any provisions of this chapter and any rules and regulations adopted pursuant thereto: PROVIDED, That the



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oath, that the persons named on the application are all of the persons known to have an interest in any gambling activity, building, or equipment by the person making such application: PROVIDED FURTHER, That the commission may require fingerprinting and background checks on any persons seeking licenses under this chapter or of any person holding ((an)) a managerial or ownership interest in any gambling activity, building or equipment to be used therefor, or of any person participating as an employee in the operation of any gambling activity: PROVIDED FURTHER, That fingerprinting shall be required only in those cases where the commission or the director has cause to believe that information gained thereby may disclose criminal or other relevant activity.

((7)) (6) To require that any license holder maintain records as directed by the commission and submit such reports as the commission may deem necessary;

((8)) (7) To require that all income from bingo games, raffles, and amusement games be ((received for at the time the income is received from each individual player and that all prizes be received for at the time the prize is distributed to each individual player and to require that all raffle tickets be consecutively numbered and accounted for: PROVIDED, That in lieu of the requirements of this subsection, agricultural fairs as defined herein shall report such income not later than thirty days after the termination of said fair;)) recorded and reported as established by rule or regulation of the commission to the extent deemed necessary by considering the scope and character of the gambling activity in such a manner that will disclose gross income from any gambling activity, amounts received from each player, the nature and value of prizes, and the fact of distributions of such prizes to the winners thereof;

((9)) (8) To regulate and establish maximum limitations on income derived from bingo: PROVIDED, That in establishing limitations pursuant to this subsection the commission shall take into account (i) the nature, character and scope of the activities of the licensee; (ii) the source of all other income of the licensee; (iii) the percentage or extent to which income derived from bingo is used for charitable, as distinguished from nonprofit, purposes;

(9) To regulate and establish the type and scope of and manner of conducting social card games permitted to be played, and the extent of wager, money or other thing of value which may be wagered or contributed or won by a player in a social card game;

(10) To regulate and establish a reasonable admission fee which may be imposed by an organization, corporation or person licensed to conduct a social card game on a person desiring to become

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a player in a social card game. A "reasonable admission fee" under this item shall be limited to a fee which would defray or help to defray the expenses of the game and which would not be contrary to the purposes of this chapter;

V- ((11)) To regulate and establish for bona fide charitable nonprofit corporations and organizations reasonable admission fees which may be imposed by such organizations for the purpose of defraying the expenses incident to a social card or other game or fund raising endeavor and the balance over and above such expenses it to be used solely for the charitable purposes of the corporation or organization;

((10)) (12) To cooperate with and secure the cooperation of county, city and other local or state agencies in investigating any matter within the scope of its duties and responsibilities;

((14)) (13) In accordance with RCW 9.46.080, to adopt such rules and regulations as are deemed necessary to carry out the purposes and provisions of this chapter. All rules and regulations shall be adopted pursuant to the administrative procedure act, chapter 34.04 RCW;

((12)) (14) To set forth for the perusal of counties, city-counties, cities and towns, model ordinances by which any legislative authority thereof may enter into the taxing of any gambling activity authorized in RCW 9.46.030 as now or hereafter amended; ((and))

((14)) (15) To publish and make available at the office of the commission or elsewhere to anyone requesting it a list of the commission licensees, including the name, address, type of license, and license number of each licensee; and

((13)) (16) To perform all other matters and things necessary to carry out the purposes and provisions of this chapter.

Sec. 5. Section 23, chapter 218, Laws of 1973 1st ex. sess. and RCW 9.46.230 are each amended to read as follows:

(1) All gambling devices as defined in ((REW 9.46.020 (9))) section 2 (9) of this 1974 amendatory act are common nuisances and shall be subject to seizure, immediately upon detection by any peace officer, and to confiscation and destruction by order of a superior or district justice court, except when in the possession of officers enforcing this chapter.

(2) No property right in any gambling device as defined in ((REW 9.46.020 (9))) section 2 (9) of this 1974 amendatory act shall exist or be recognized in any person, except the possessory right of officers enforcing this chapter.

(3) All furnishings, fixtures, equipment and stock, including without limitation furnishings and fixtures adaptable to nongambling uses and equipment and stock for printing, recording, computing,

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compliance with the provisions of this chapter and in accordance with the rules and regulations adopted pursuant thereto. In the enforcement of this subsection direct possession of any such gambling record shall be presumed to be knowing possession thereof.

NEW SECTION. Sec. 6. There is added to chapter 218, Laws of 1973 1st ex. sess. and to chapter 9.46 RCW a new section to read as follows:

Any license to engage in any of the gambling activities authorized by this chapter as now exists or as hereafter amended, and issued under the authority thereof shall be legal authority to engage in the gambling activities for which issued throughout the incorporated and unincorporated area of any county, except that a city located therein with respect to that city, or a county with respect to all areas within that county except for such cities, may absolutely prohibit, but may not change the scope of license, any or all of the gambling activities for which the license was issued:

PROVIDED, That a county or city may not prohibit a bona fide charitable or nonprofit organization from conducting social card games when licensed to do so and when the terms of the license permit only members of such organization to play at such games and when the terms of the license specifically prohibit the organization from imposing or collecting any admission fee.

Sec. 7. Section 8, chapter 218, Laws of 1973 1st ex. sess. and RCW 9.46.080 are each amended to read as follows:

The department of motor vehicles, subject to the approval of the commission, shall employ a full time employee as director respecting gambling activities, who shall be the administrator for the commission in carrying out its powers and duties and who, with the advice and approval of the commission shall issue rules and regulations governing the activities authorized hereunder and shall supervise departmental employees in carrying out the purposes and provisions of this chapter. ((In addition the department shall make available to the commission such of its administrative services and staff as are necessary to carry out the purposes and provisions of this chapter.)) In addition, the department shall furnish two assistant directors, together with such investigators and enforcement officers and with such of its administrative services and staff as are necessary to carry out the purposes and provisions of this chapter. The director, both assistant directors, and personnel occupying positions requiring the performing of undercover investigative work shall be exempt from the provisions of chapter 41.06 RCW, as now law or hereafter amended. Neither the director nor any departmental employee working therefor shall be an officer or



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Section 2 (1) (f) (iii) contains a proviso that provides that participants in amusement games are not gamblers and that such amusement games are not to be defined as gambling.

The effect of the proviso is to take all amusement games as defined in the statute and participants in such games out of the gambling laws and thus preclude enforcement of criminal penalties where there have been criminal violations. I have accordingly vetoed the referenced item.

## 2. Definition of "bona fide charitable or nonprofit organization."

Section 2 (3) contains an item striking existing language which creates a presumption that an organization is not a bona fide charitable or nonprofit organization if contributions to the organization do not qualify as charitable contributions for tax purposes. The present language is a necessary element in the operation of the Gambling Commission as it places a strict burden of proving the qualifying status on an applicant. This is a necessary safeguard in the law to prevent the doors from being opened to professional gambling activities. I have therefore vetoed the referenced item.

## 3. Definition of "raffle."

Section 2 (17) contains amendatory language attempting to clarify that proceeds of a raffle may indeed inure to the benefit of the winner or winners or prizes. I have vetoed the item consisting of such language because I believe it is redundant and that it further raises a problem in other sections of the bill by creating a presumption that proceeds may not go to winners of amusement games (Section 2 (1)) and bingo games (Section 2 (4)) since the same amendatory language was not placed in those subsections.

## 4. Definition of "social card game." [Ed. note: This item veto was overridden.]

Section 2 (18) (d) contains a proviso that would allow a bona fide charitable or nonprofit organization to charge a membership fee or admission fee for the playing of social card games. This would open the way for such an organization to increase its membership fee or admission fee to such an extent as to collect, in effect, a charge for allowing members to engage in social card games. Such a charge is prohibited in the first part of subsection (d) in Section 2 (18). Accordingly, I have vetoed the referenced proviso.

## 5. Authorization of social card games. [Ed. note: These items vetoes were overridden.]

Sections 3 and 4 of the bill contain three items that would unduly and unwisely broaden the authorization of social card games which is the heart of the amendatory language in Section 3. The item "and guests" in Section 3, subsection 1 on page 12, would open the way for any outsiders to participate in social card games on the premises of a licensed organization so long as they are characterized as guests.

Section 3 (3) and Section 4 (2) contain items which would allow any person, association, or organization to conduct social card games as a commercial stimulant.

These items all have the effect of paving the way for public card rooms which pose serious problems of enforcement to local police officials and foster a climate of open tolerance and/or clandestine payoffs for non-enforcement of gambling laws and regulations. Accordingly, I have vetoed these items.

## 6. Gambling Commission powers and duties.

Section 4 (5) of the bill contains two items restricting the investigative powers of the Commission in requiring fingerprints for background checks. One item restricts such a check to persons holding "a managerial or ownership" interest in the gambling activity. This provision would encourage those persons who do not wish to reveal their backgrounds to set up sham corporations or organizations to evade this requirement.

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Another item restricts the power of fingerprinting to only those cases where there is reason to believe a background check would disclose criminal activity. This restriction creates a situation where an unwarranted presumption of past criminal activity exists each time the Commission sees fit to require fingerprinting.

I do not believe that the Commission has exercised or is about to exercise its fingerprinting power in an arbitrary and capricious manner or in any manner for the sole purpose of harassing an applicant. The items creating the restrictions are not warranted and I have therefore vetoed the same.

7. Admission fees for social card games. [Ed. note: Item veto of subsection (10) was overridden.]

Subsections 10 and 11 in Section 4 authorize the Gambling Commission to regulate and establish admission fees for playing in social card games. I have stated earlier that the admission fee can serve as a subterfuge against the prohibition of charging an amount for playing in social card games and have therefore vetoed the referenced subsections.

8. Local option on gambling.

Section 6 contains an item consisting of a proviso which precludes a county or city from prohibiting social card games in an organization licensed to conduct such games without imposing or collecting any admission fee.

I see no good reason why a county or city, if it chooses to prohibit bingo and raffle games, should not be allowed to prohibit social card games even if an organization has previously been licensed to conduct such games, and have therefore vetoed that item.

9. Punch board and pull-tab regulation.

RCW 9.46.110 presently requires the reporting of all winners of over five dollars in money or merchandise from punch boards and pulltabs. An item in Section 8 of the bill would raise the amount to fifty dollars.

This higher amount would cover most, if not all winning punches or pulls, and would therefore effectively remove this reporting requirement. This would thereby remove the safeguard in the law against an owner or licensee of punch boards and pull-tabs from punching or pulling the larger winning numbers before a player has taken his chance, since there would be no way of determining the person or persons who made winning plays.

10. Class actions for damages.

RCW 9.46.200 presently allows any civil action under that section to be considered a class action. Section 10 of the bill contains an item striking that provision of the law. Removal of that provision would have the effect of discouraging persons who have wrongfully suffered losses and damages from bringing suit against a wrongdoer unless the amount of his loss or damage were substantial enough to justify the costs and expenses attendant to a lawsuit. I believe the original intent of the law should be restored, and have therefore vetoed the referenced item.

11. Effective date.

Section 14 of the bill declares an emergency, sets an effective date, and provides that the bill is subject to referendum. Our State Constitution clearly states in Article II, Section 1 (b) that the right of referendum does not exist as to laws "necessary for the immediate preservation of the public peace, health or safety, support of the state government and its existing public institutions." Section 14 is therefore wholly inconsistent in its component parts. I believe the people must have a right of referendum on a bill of this nature, and the Legislature has not, in my opinion, preserved that right effectively in Section 14. I have therefore vetoed the entire section.

With the exception of the foregoing items, the remainder of Substitute House Bill No. 473 is approved."

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Note: Chief Clerk of the House's letter informing the Secretary of State that the Legislature has overridden certain items of the Governor's veto is as follows:

The Honorable A. Ludlow Kramer  
Secretary of State  
State of Washington

Dear Mr. Secretary:

On February 19, 1974, Governor Daniel J. Evans exercised partial vetoes on Substitute House Bill No. 473 entitled "AN ACT Relating to gambling". Included among those vetoes are the following:

1. The veto of the proviso on page 11 [herein page 543], Subsection 18(d) of Section 2.
2. The veto of the words "and guests" which appear on page 12 [herein page 544], Subsection (1) of Section 3.
3. The veto of the words "conduct social card games and to" which appear on page 12 [herein page 544], Subsection (3) of section 3.
4. The veto of the words "and to conduct social card games" which appear on page 14, [herein page 545], Subsection (2) of Section 4.
5. The veto of Subsection (10) of Section 4 which appears on pages 16 and 17 [herein pages 547 and 548].

The aforementioned vetoes were overridden by the House of Representatives on April 19, 1974 and by the Senate on April 23, 1974.

Respectfully submitted,

DEAN R. FOSTER  
Chief Clerk

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## CHAPTER 156

[House Bill No. 188]

ADMINISTRATOR FOR THE COURTS—

SALARY

AN ACT Relating to the administrator for the courts; and amending section 1, chapter 259, Laws of 1957 as amended by section 1, chapter 93, Laws of 1969 and RCW 2.56.010.

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

Section 1. Section 1, chapter 259, Laws of 1957 as amended by section 1, chapter 93, Laws of 1969 and RCW 2.56.010 are each amended to read as follows:

There shall be a state office to be known as the office of administrator for the courts who shall be appointed by the supreme court of this state from a list of five persons submitted by the governor of the state of Washington, and shall hold office at the pleasure of the appointing power. He shall not be over the age of sixty years at the time of his appointment. He shall receive a salary ((not to exceed twenty thousand dollars per year,)) to be

# Attachment B

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## SECOND SUBSTITUTE HOUSE BILL 2228

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AS AMENDED BY THE SENATE

Passed Legislature - 1994 Regular Session

**State of Washington**                      **53rd Legislature**                      **1994 Regular Session**

**By** House Committee on Revenue (originally sponsored by Representatives Heavey, Lisk, Springer, Schmidt, Van Luven and Roland)

Read first time 02/08/94.

1            AN ACT Relating to clarifying the state's public policy on gambling  
2 by restricting the frequency of lottery games, addressing problem and  
3 compulsive gambling, and enhancing the enforcement of the state's  
4 gambling laws; amending RCW 9.46.010, 67.70.010, 67.70.040, 67.70.190,  
5 9.46.0241, 9.46.220, 9.46.221, 9.46.222, 9.46.080, 9.46.235, 9.46.260,  
6 and 10.105.900; reenacting and amending RCW 9A.82.010; adding new  
7 sections to chapter 9.46 RCW; creating new sections; repealing RCW  
8 9.46.230; prescribing penalties; and declaring an emergency.

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

10            NEW SECTION.    **Sec. 1.**    The legislature intends with this act to  
11 clarify the state's public policy on gambling regarding the frequency  
12 of state lottery drawings, the means of addressing problem and  
13 compulsive gambling, and the enforcement of the state's gambling laws.  
14 This act is intended to clarify the specific types of games prohibited  
15 in chapter 9.46 RCW and is not intended to add to existing law  
16 regarding prohibited activities. The legislature recognizes that slot  
17 machines, video pull-tabs, video poker, and other electronic games of  
18 chance have been considered to be gambling devices before the effective  
19 date of this act.

## Attachment B

1       **Sec. 2.** RCW 9.46.010 and 1975 1st ex.s. c 259 s 1 are each amended  
2 to read as follows:

3       The public policy of the state of Washington on gambling is to keep  
4 the criminal element out of gambling and to promote the social welfare  
5 of the people by limiting the nature and scope of gambling activities  
6 and by strict regulation and control.

7       It is hereby declared to be the policy of the legislature,  
8 recognizing the close relationship between professional gambling and  
9 organized crime, to restrain all persons from seeking profit from  
10 professional gambling activities in this state; to restrain all persons  
11 from patronizing such professional gambling activities; to safeguard  
12 the public against the evils induced by common gamblers and common  
13 gambling houses engaged in professional gambling; and at the same time,  
14 both to preserve the freedom of the press and to avoid restricting  
15 participation by individuals in activities and social pastimes, which  
16 activities and social pastimes are more for amusement rather than for  
17 profit, do not maliciously affect the public, and do not breach the  
18 peace.

19       The legislature further declares that the raising of funds for the  
20 promotion of bona fide charitable or nonprofit organizations is in the  
21 public interest as is participation in such activities and social  
22 pastimes as are hereinafter in this chapter authorized.

23       The legislature further declares that the conducting of bingo,  
24 raffles, and amusement games and the operation of punch boards, pull-  
25 tabs, card games and other social pastimes, when conducted pursuant to  
26 the provisions of this chapter and any rules and regulations adopted  
27 pursuant thereto, are hereby authorized, as are only such lotteries for  
28 which no valuable consideration has been paid or agreed to be paid as  
29 hereinafter in this chapter provided.

30       The legislature further declares that fishing derbies shall not  
31 constitute any form of gambling and shall not be considered as a  
32 lottery, a raffle, or an amusement game and shall not be subject to the  
33 provisions of this chapter or any rules and regulations adopted  
34 hereunder.

35       All factors incident to the activities authorized in this chapter  
36 shall be closely controlled, and the provisions of this chapter shall  
37 be liberally construed to achieve such end.



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state government and its existing public institutions, and shall take effect July 1, 1977.

Passed the House June 19, 1977.

Passed the Senate June 19, 1977.

Approved by the Governor June 30, 1977.

Filed in Office of Secretary of State June 30, 1977.

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## CHAPTER 326

[House Bill No. 1133]

### GAMBLING

AN ACT Relating to gambling; amending section 2, chapter 218, Laws of 1973 1st ex. sess. as last amended by section 2, chapter 87, Laws of 1975-'76 2nd ex. sess. and RCW 9.46.020; amending section 3, chapter 218, Laws of 1973 1st ex. sess. as last amended by section 3, chapter 87, Laws of 1975-'76 2nd ex. sess. and RCW 9.46.030; amending section 7, chapter 218, Laws of 1973 1st ex. sess. as last amended by section 4, chapter 87, Laws of 1975-'76 2nd ex. sess. and RCW 9.46.070; amending section 8, chapter 218, Laws of 1973 1st ex. sess. as last amended by section 7, chapter 155, Laws of 1974 ex. sess. and RCW 9.46.080; amending section 10, chapter 218, Laws of 1973 1st ex. sess. and RCW 9.46.100; amending section 1, chapter 87, Laws of 1975-'76 2nd ex. sess. and RCW 9.46.115; amending section 14, chapter 218, Laws of 1973 1st ex. sess. as amended by section 8, chapter 166, Laws of 1975 1st ex. sess. and RCW 9.46.140; amending section 18, chapter 218, Laws of 1973 1st ex. sess. and RCW 9.46.180; amending section 19, chapter 218, Laws of 1973 1st ex. sess. and RCW 9.46.190; amending section 21, chapter 218, Laws of 1973 1st ex. sess. as last amended by section 10, chapter 166, Laws of 1975 1st ex. sess. and RCW 9.46.210; amending section 23, chapter 218, Laws of 1973 1st ex. sess. as last amended by section 5, chapter 155, Laws of 1974 ex. sess. and RCW 9.46.230; adding new sections to chapter 218, Laws of 1973 1st ex. sess. and to chapter 9.46 RCW; prescribing penalties; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 2, chapter 218, Laws of 1973 1st ex. sess. as last amended by section 2, chapter 87, Laws of 1975-'76 2nd ex. sess. and RCW 9.46.020 are each amended to read as follows:

- (1) "Amusement game" means a game played for entertainment in which:
  - (a) The contestant actively participates;
  - (b) The outcome depends in a material degree upon the skill of the contestant;
  - (c) Only merchandise prizes are awarded;
  - (d) The outcome is not in the control of the operator;
  - (e) The wagers are placed, the winners are determined, and a distribution of prizes or property is made in the presence of all persons placing wagers at such game; and
  - (f) Said game is conducted or operated by any agricultural fair, person, association, or organization in such manner and at such locations as may be authorized by rules and regulations adopted by the commission pursuant to this chapter as now or hereafter amended.

Cake walks as commonly known and fish ponds as commonly known shall be treated as amusement games for all purposes under this chapter.

- (2) "Bingo" means a game in which prizes are awarded on the basis of designated numbers or symbols on a card conforming to numbers or symbols selected at random and in which no cards are sold except at the time and place of said game, when said game is conducted by a bona fide charitable or nonprofit organization which does not conduct or allow its premises to be used for conducting bingo on

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more than three occasions per week and which does not conduct bingo in any location which is used for conducting bingo on more than three occasions per week, or if an agricultural fair authorized under chapters 15.76 and 36.37 RCW, which does not conduct bingo on more than twelve consecutive days in any calendar year, and except in the case of any agricultural fair as authorized under chapters 15.76 and 36.37 RCW, no person other than a bona fide member or an employee of said organization takes any part in the management or operation of said game, and no person who takes any part in the management or operation of said game takes any part in the management or operation of any game conducted by any other organization or any other branch of the same organization, unless approved by the commission, and no part of the proceeds thereof inure to the benefit of any person other than the organization conducting said game.

(3) "Bona fide charitable or nonprofit organization" means: (a) any organization duly existing under the provisions of chapters 24.12, 24.20, or 24.28 RCW, any agricultural fair authorized under the provisions of chapters 15.76 or 36.37 RCW, or any nonprofit corporation duly existing under the provisions of chapter 24.03 RCW for charitable, benevolent, eleemosynary, educational, civic, patriotic, political, social, fraternal, athletic or agricultural purposes only, or any nonprofit organization, whether incorporated or otherwise, when found by the commission to be organized and operating for one or more of the aforesaid purposes only, all of which in the opinion of the commission have been organized and are operated primarily for purposes other than the operation of gambling activities authorized under this chapter; or (b) any corporation which has been incorporated under Title 36 U.S.C. and whose principal purposes are to furnish volunteer aid to members of the armed forces of the United States and also to carry on a system of national and international relief and to apply the same in mitigating the sufferings caused by pestilence, famine, fire, floods, and other national calamities and to devise and carry on measures for preventing the same. The fact that contributions to an organization do not qualify for charitable contribution deduction purposes or that the organization is not otherwise exempt from payment of federal income taxes pursuant to the Internal Revenue Code of 1954, as amended, shall constitute prima facie evidence that the organization is not a bona fide charitable or nonprofit organization for the purposes of this section.

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

(4) "Bookmaking" means accepting bets as a business, rather than in a casual or personal fashion, upon the outcome of future contingent events.

(5) "Commercial stimulant". An activity is operated as a commercial stimulant, for the purposes of this chapter, only when it is an incidental activity operated in connection with, and incidental to, an established business, with the primary purpose of increasing the volume of sales of food or drink for consumption on that business premises. The commission may by rule establish guidelines and criteria for applying this definition to its applicants and licensees for gambling activities authorized by this chapter as commercial stimulants.

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to be used by only members and guests ((only)) to play social card games authorized by the commission, when licensed, conducted or operated pursuant to the provisions of this chapter and rules and regulations adopted pursuant thereto.

(2) Bona fide charitable or bona fide nonprofit organizations organized primarily for purposes other than the conduct of raffles, are hereby authorized to conduct raffles without obtaining a license to do so from the commission when such raffles are held in accordance with all other requirements of chapter 9.46 RCW, other applicable laws, and rules of the commission; when gross revenues from all such raffles held by the organization during the calendar year do not exceed five thousand dollars; and when tickets to such raffles are sold only to, and winners are determined only from among, the regular members of the organization conducting the raffle: **PROVIDED**, That the term members for this purpose shall mean only those persons who have become members prior to the commencement of the raffle and whose qualification for membership was not dependent upon, or in any way related to, the purchase of a ticket, or tickets, for such raffles.

(3) Bona fide charitable or bona fide nonprofit organizations organized primarily for purposes other than the conduct of such activities are hereby authorized to conduct bingo, raffles, and amusement games, without obtaining a license to do so from the commission but only when:

(a) Such activities are held in accordance with all other requirements of chapter 9.46 RCW as now or hereafter amended, other applicable laws, and rules of the commission; and

(b) Said activities are, alone or in any combination, conducted no more than twice each calendar year and over a period of no more than twelve consecutive days each time, notwithstanding the limitations of RCW 9.46.020(2) as now or hereafter amended: **PROVIDED**, That a raffle conducted under this subsection may be conducted for a period longer than twelve days; and

(c) Only bona fide members of that organization, who are not paid for such services, participate in the management or operation of the activities; and

(d) Gross revenues to the organization from all the activities together does not exceed five thousand dollars during any calendar year; and

(e) All revenue therefrom, after deducting the cost of prizes and other expenses of the activity, is devoted solely to the purposes for which the organization qualifies as a bona fide charitable or nonprofit organization; and

(f) The organization gives notice at least five days in advance of the conduct of any of the activities to the local police agency of the jurisdiction within which the activities are to be conducted of the organization's intent to conduct the activities, the location of the activities, and the date or dates they will be conducted; and

(g) The organization conducting the activities maintains records for a period of one year from the date of the event which accurately show at a minimum the gross revenue from each activity, details of the expenses of conducting the activities, and details of the uses to which the gross revenue therefrom is put.

(4) The legislature hereby authorizes any person, association, or organization operating an established business primarily engaged in the selling of food or drink for consumption on the premises to conduct social card games and to utilize punch boards and pull-tabs as a commercial stimulant to such business when licensed and



# Attachment C

enables him or her to play or results in or from his or her playing: PROVIDED, That this subparagraph (ii) shall not preclude collection of a membership fee which is unrelated to participation in gambling activities authorized under this subsection.

The penalties provided for professional gambling in this chapter shall not apply to sports pools as described in ((this)) subsection (6) of this section, the wagering described in subsection (7) of this section, social card games, bingo games, raffles, fund raising events, punch boards, pull-tabs, ((or)) amusement games, or to the use of facilities of a bona fide charitable or nonprofit organization for social card games or dice games, when conducted in compliance with the provisions of this chapter and in accordance with the rules and regulations of the commission.

Sec. 3. Section 7, chapter 218, Laws of 1973 1st ex. sess. as last amended by section 4, chapter 87, Laws of 1975-'76 2nd ex. sess. and RCW 9.46.070 are each amended to read as follows:

The commission shall have the following powers and duties:

(1) To authorize and issue licenses for a period not to exceed one year to bona fide charitable or nonprofit organizations approved by the commission meeting the requirements of this chapter and any rules and regulations adopted pursuant thereto permitting said organizations to conduct bingo games, raffles, amusement games, and social card games~~((f))~~, to utilize punch boards and pull-tabs in accordance with the provisions of this chapter and any rules and regulations adopted pursuant thereto and to revoke or suspend said licenses for violation of any provisions of this chapter or any rules and regulations adopted pursuant thereto: PROVIDED, That the commission shall not deny a license to an otherwise qualified applicant in an effort to limit the number of licenses to be issued: PROVIDED FURTHER, That the commission or director shall not issue, deny, suspend or revoke any license because of considerations of race, sex, creed, color, or national origin: AND PROVIDED FURTHER, That the commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(2) To authorize and issue licenses for a period not to exceed one year to any person, association, or organization operating a business primarily engaged in the selling of items of food or drink for consumption on the premises, approved by the commission meeting the requirements of this chapter and any rules and regulations adopted pursuant thereto permitting said person, association, or organization to utilize punch boards and pull-tabs and to conduct social card games as a commercial stimulant in accordance with the provisions of this chapter and any rules and regulations adopted pursuant thereto and to revoke or suspend said licenses for violation of any provisions of this chapter and any rules and regulations adopted pursuant thereto: PROVIDED, That the commission shall not deny a license to an otherwise qualified applicant in an effort to limit the number of licenses to be issued: PROVIDED FURTHER, That the commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(3) To authorize and issue licenses for a period not to exceed one year to any person, association, or organization approved by the commission meeting the requirements of this chapter and meeting the requirements of any rules and regulations adopted by the commission pursuant to this chapter as now or hereafter amended, permitting said person, association, or organization to conduct or operate

# Attachment C

(8) To require that all income from bingo games, raffles, and amusement games be recorded and reported as established by rule or regulation of the commission to the extent deemed necessary by considering the scope and character of the gambling activity in such a manner that will disclose gross income from any gambling activity, amounts received from each player, the nature and value of prizes, and the fact of distributions of such prizes to the winners thereof;

(9) To regulate and establish maximum limitations on income derived from bingo: PROVIDED, That in establishing limitations pursuant to this subsection the commission shall take into account (i) the nature, character, and scope of the activities of the licensee; (ii) the source of all other income of the licensee; and (iii) the percentage or extent to which income derived from bingo is used for charitable, as distinguished from nonprofit, purposes;

(10) To regulate and establish the type and scope of and manner of conducting ~~((social card games permitted to be played, and))~~ the gambling activities authorized by RCW 9.46.030, including but not limited to, the extent of wager, money, or other thing of value which may be wagered or contributed or won by a player in ((a social card game)) any such activities;

(11) To regulate and establish a reasonable admission fee which may be imposed by an organization, corporation or person licensed to conduct a social card game on a person desiring to become a player in a social card game. A "reasonable admission fee" under this item shall be limited to a fee which would defray or help to defray the expenses of the game and which would not be contrary to the purposes of this chapter;

(12) To cooperate with and secure the cooperation of county, city, and other local or state agencies in investigating any matter within the scope of its duties and responsibilities;

(13) In accordance with RCW 9.46.080, to adopt such rules and regulations as are deemed necessary to carry out the purposes and provisions of this chapter. All rules and regulations shall be adopted pursuant to the administrative procedure act, chapter 34.04 RCW;

(14) To set forth for the perusal of counties, city-counties, cities and towns, model ordinances by which any legislative authority thereof may enter into the taxing of any gambling activity authorized in RCW 9.46.030 as now or hereafter amended;

(15) To establish and regulate a maximum limit on salaries or wages which may be paid to persons employed in connection with activities conducted by bona fide charitable or nonprofit organizations and authorized by this chapter, where payment of such persons is allowed, and to regulate and establish maximum limits for other expenses in connection with such authorized activities, including but not limited to rent or lease payments.

In establishing these maximum limits the commission shall take into account the amount of income received, or expected to be received, from the class of activities to which the limits will apply and the amount of money the games could generate for authorized charitable or nonprofit purposes absent such expenses. The commission may also take into account, in its discretion, other factors, including but not limited to, the local prevailing wage scale and whether charitable purposes are benefited by the activities;

NEW SECTION. Sec. 5. "Bookmaking," as used in this chapter, means accepting bets as a business, rather than in a casual or personal fashion, upon the outcome of future contingent events.

NEW SECTION. Sec. 6. "Commercial stimulant," as used in this chapter, means an activity is operated as a commercial stimulant, for the purposes of this chapter, only when it is an incidental activity operated in connection with, and incidental to, an established business, with the primary purpose of increasing the volume of sales of food or drink for consumption on that business premises. The commission may by rule establish guidelines and criteria for applying this definition to its applicants and licensees for gambling activities authorized by this chapter as commercial stimulants.

NEW SECTION. Sec. 7. "Commission," as used in this chapter, means the Washington state gambling commission created in RCW 9.46.040.

NEW SECTION. Sec. 8. "Contest of chance," as used in this chapter, means any contest, game, gaming scheme, or gaming device in which the outcome depends in a material degree upon an element of chance, notwithstanding that skill of the contestants may also be a factor therein.

NEW SECTION. Sec. 9. "Fishing derby," as used in this chapter, means a fishing contest, with or without the payment or giving of an entry fee or other consideration by some or all of the contestants, wherein prizes are awarded for the species, size, weight, or quality of fish caught in a bona fide fishing or recreational event.

NEW SECTION. Sec. 10. "Gambling," as used in this chapter, means staking or risking something of value upon the outcome of a contest of chance or a future contingent event not under the person's control or influence, upon an agreement or understanding that the person or someone else will receive something of value in the event of a certain outcome. Gambling does not include fishing derbies as defined by this chapter, parimutuel betting as authorized by chapter 67.16 RCW, bona fide business transactions valid under the law of contracts, including, but not limited to, contracts for the purchase or sale at a future date of securities or commodities, and agreements to compensate for loss caused by the happening of chance, including, but not limited to, contracts of indemnity or guarantee and life, health, or accident insurance. In addition, a contest of chance which is specifically excluded from the definition of lottery under this chapter shall not constitute gambling.

NEW SECTION. Sec. 11. "Gambling device," as used in this chapter, means: (1) Any device or mechanism the operation of which a right to money, credits, deposits or other things of value may be created, in return for a consideration, as the result of the operation of an element of chance; (2) any device or mechanism which, when operated for a consideration, does not return the same value or thing of value for the same consideration upon

only from among, the regular members of the organization conducting the raffle: PROVIDED, That the term members for this purpose shall mean only those persons who have become members prior to the commencement of the raffle and whose qualification for membership was not dependent upon, or in any way related to, the purchase of a ticket, or tickets, for such raffles.

**NEW SECTION.** Sec. 28. Bona fide charitable or bona fide nonprofit organizations organized primarily for purposes other than the conduct of such activities are hereby authorized to conduct bingo, raffles, and amusement games, without obtaining a license to do so from the commission but only when:

(1) Such activities are held in accordance with all other requirements of this chapter, other applicable laws, and rules of the commission;

(2) Said activities are, alone or in any combination, conducted no more than twice each calendar year and over a period of no more than twelve consecutive days each time, notwithstanding the limitations of section 3 of this act: PROVIDED, That a raffle conducted under this subsection may be conducted for a period longer than twelve days;

(3) Only bona fide members of that organization, who are not paid for such services, participate in the management or operation of the activities;

(4) Gross revenues to the organization from all the activities together do not exceed five thousand dollars during any calendar year;

(5) All revenue therefrom, after deducting the cost of prizes and other expenses of the activity, is devoted solely to the purposes for which the organization qualifies as a bona fide charitable or nonprofit organization;

(6) The organization gives notice at least five days in advance of the conduct of any of the activities to the local police agency of the jurisdiction within which the activities are to be conducted of the organization's intent to conduct the activities, the location of the activities, and the date or dates they will be conducted; and

(7) The organization conducting the activities maintains records for a period of one year from the date of the event which accurately show at a minimum the gross revenue from each activity, details of the expenses of conducting the activities, and details of the uses to which the gross revenue therefrom is put.

**NEW SECTION.** Sec. 29. The legislature hereby authorizes any person, association or organization operating an established business primarily engaged in the selling of food or drink for consumption on the premises to conduct social card games and to utilize punch boards and pull-tabs as a commercial stimulant to such business when licensed and utilized or operated pursuant to the provisions of this chapter and rules and regulations adopted pursuant thereto.



# Attachment D

## WASHINGTON LAWS, 1987

### Ch. 4

(2) To authorize and issue licenses for a period not to exceed one year to any person, association, or organization operating a business primarily engaged in the selling of items of food or drink for consumption on the premises, approved by the commission meeting the requirements of this chapter and any rules and regulations adopted pursuant thereto permitting said person, association, or organization to utilize punch boards and pull-tabs and to conduct social card games as a commercial stimulant in accordance with the provisions of this chapter and any rules and regulations adopted pursuant thereto and to revoke or suspend said licenses for violation of any provisions of this chapter and any rules and regulations adopted pursuant thereto: PROVIDED, That the commission shall not deny a license to an otherwise qualified applicant in an effort to limit the number of licenses to be issued: PROVIDED FURTHER, That the commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(3) To authorize and issue licenses for a period not to exceed one year to any person, association, or organization approved by the commission meeting the requirements of this chapter and meeting the requirements of any rules and regulations adopted by the commission pursuant to this chapter as now or hereafter amended, permitting said person, association, or organization to conduct or operate amusement games in such manner and at such locations as the commission may determine;

(4) To authorize, require, and issue, for a period not to exceed one year, such licenses as the commission may by rule provide, to any person, association, or organization to engage in the selling, distributing, or otherwise supplying or in the manufacturing of devices for use within this state for those activities authorized by (~~RCW 9.46.030 as now or hereafter amended~~) this chapter;

(5) To establish a schedule of annual license fees for carrying on specific gambling activities upon the premises, and for such other activities as may be licensed by the commission, which fees shall provide to the commission not less than an amount of money adequate to cover all costs incurred by the commission relative to licensing under this chapter and the enforcement by the commission of the provisions of this chapter and rules and regulations adopted pursuant thereto: PROVIDED, That all licensing fees shall be submitted with an application therefor and such portion of said fee as the commission may determine, based upon its cost of processing and investigation, shall be retained by the commission upon the withdrawal or denial of any such license application as its reasonable expense for processing the application and investigation into the granting thereof: PROVIDED FURTHER, That if in a particular case the basic license fee established by the commission for a particular class of license is less than the commission's actual expenses to investigate that particular application, the commission

**Attachment D**  
**WASHINGTON LAWS, 1987**

**Ch. 4**

(11) To regulate and establish the type and scope of and manner of conducting the gambling activities authorized by ~~((RCW 9.46.030))~~ this chapter, including but not limited to, the extent of wager, money, or other thing of value which may be wagered or contributed or won by a player in any such activities;

(12) To regulate the collection of and the accounting for the fee which may be imposed by an organization, corporation or person licensed to conduct a social card game on a person desiring to become a player in a social card game in accordance with ~~((RCW 9.46.020(20)(d) as now or hereafter amended))~~ section 21(4) of this 1987 act;

(13) To cooperate with and secure the cooperation of county, city, and other local or state agencies in investigating any matter within the scope of its duties and responsibilities;

(14) In accordance with RCW 9.46.080, to adopt such rules and regulations as are deemed necessary to carry out the purposes and provisions of this chapter. All rules and regulations shall be adopted pursuant to the administrative procedure act, chapter 34.04 RCW;

(15) To set forth for the perusal of counties, city-counties, cities and towns, model ordinances by which any legislative authority thereof may enter into the taxing of any gambling activity authorized ~~((in RCW 9.46.030 as now or hereafter amended))~~ by this chapter;

(16) To establish and regulate a maximum limit on salaries or wages which may be paid to persons employed in connection with activities conducted by bona fide charitable or nonprofit organizations and authorized by this chapter, where payment of such persons is allowed, and to regulate and establish maximum limits for other expenses in connection with such authorized activities, including but not limited to rent or lease payments.

In establishing these maximum limits the commission shall take into account the amount of income received, or expected to be received, from the class of activities to which the limits will apply and the amount of money the games could generate for authorized charitable or nonprofit purposes absent such expenses. The commission may also take into account, in its discretion, other factors, including but not limited to, the local prevailing wage scale and whether charitable purposes are benefited by the activities;

(17) To authorize, require, and issue for a period not to exceed one year such licenses or permits, for which the commission may by rule provide, to any person to work for any operator of any gambling activity authorized by this chapter in connection with that activity, or any manufacturer, supplier, or distributor of devices for those activities in connection with such business. The commission shall not require that persons working solely as volunteers in an authorized activity conducted by a bona fide charitable or bona fide nonprofit organization, who receive no compensation of any kind for any purpose from that organization, and who have no managerial or supervisory responsibility in connection with that activity, be licensed to do

# Attachment E

## CERTIFICATION OF ENROLLMENT

### HOUSE BILL 2382

Chapter 120, Laws of 1994

53rd Legislature  
1994 Regular Session

GAMBLING--COMMERCIAL STIMULANTS

EFFECTIVE DATE: 6/9/94

Passed by the House February 14, 1994  
Yeas 95 Nays 0

BRIAN EBERSOLE

**Speaker of the  
House of Representatives**

Passed by the Senate March 4, 1994  
Yeas 35 Nays 14

JOEL PRITCHARD

**President of the Senate**

Approved March 28, 1994

MIKE LOWRY

**Governor of the State of Washington**

## CERTIFICATE

I, Marilyn Showalter, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2382** as passed by the House of Representatives and the Senate on the dates hereon set forth.

MARILYN SHOWALTER

**Chief Clerk**

FILED

March 28, 1994 - 11:26 a.m.

**Secretary of State  
State of Washington**

# Attachment E

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## HOUSE BILL 2382

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Passed Legislature - 1994 Regular Session

State of Washington                      53rd Legislature                      1994 Regular Session

By Representatives Veloria, Lisk, Heavey, Horn, Anderson, Schmidt, King, Chandler, Conway and Springer

Read first time 01/14/94. Referred to Committee on Commerce & Labor.

1            AN ACT Relating to gambling; and amending RCW 9.46.0217 and  
2 9.46.0281.

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

4            **Sec. 1.** RCW 9.46.0217 and 1987 c 4 s 6 are each amended to read as  
5 follows:

6            "Commercial stimulant," as used in this chapter, means an activity  
7 is operated as a commercial stimulant, for the purposes of this  
8 chapter, only when it is an ~~((incidental))~~ activity operated in  
9 connection with~~((, and incidental to,))~~ an established business, with  
10 the ~~((primary))~~ purpose of increasing the volume of sales of food or  
11 drink for consumption on that business premises. The commission may by  
12 rule establish guidelines and criteria for applying this definition to  
13 its applicants and licensees for gambling activities authorized by this  
14 chapter as commercial stimulants.

15            **Sec. 2.** RCW 9.46.0281 and 1987 c 4 s 21 are each amended to read  
16 as follows:

17            "Social card game," as used in this chapter, means a card game,  
18 including but not limited to the game commonly known as "Mah-Jongg,"



# Attachment F

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## SUBSTITUTE SENATE BILL 5560

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Passed Legislature - 1997 Regular Session

State of Washington

55th Legislature

1997 Regular Session

By Senate Committee on Commerce & Labor (originally sponsored by Senators Schow, Prentice, Snyder, Anderson and Horn)

Read first time 02/27/97.

1 AN ACT Relating to social card games; amending RCW 9.46.0265;  
2 adding a new section to chapter 9.46 RCW; and repealing RCW 9.46.0281.

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

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

6 "Social card game" as used in this chapter means a card game that  
7 constitutes gambling and is authorized by the commission under RCW  
8 9.46.070. Authorized card games may include a house-banked or a  
9 player-funded banked card game. No one may participate in the card  
10 game or have an interest in the proceeds of the card game who is not a  
11 player or a person licensed by the commission to participate in social  
12 card games. There shall be two or more participants in the card game  
13 who are players or persons licensed by the commission. The card game  
14 must be played in accordance with the rules adopted by the commission  
15 under RCW 9.46.070, which shall include but not be limited to rules for  
16 the collection of fees, limitation of wagers, and management of player  
17 funds. The number of tables authorized shall be set by the commission  
18 but shall not exceed a total of fifteen separate tables per  
19 establishment.

AMENDATORY SECTION (Amending Order 161, filed 9/15/86, effective 1/1/87)

**WAC 230-02-380 Established business defined.**

"Established business" means any business (~~(who)~~) that has applied for and received all licenses or permits required by any state or local jurisdictions and has been open to the public for a period of not less than ninety days: *Provided*, That the commission may grant "established" status to a business that:

- (1) Has completed all construction and is ready to conduct business;
- (2) Has obtained all required licenses and permits;
- (3) Provides the commission a planned operating schedule which includes estimated gross sales from each separate activity to be conducted on the proposed premises, including but not limited to the following:
  - (a) Food and/or drinks for on-premises consumption;
  - (b) Food and/or drinks "to go"; and
  - (c) All other business activities.
- (4) Passes an inspection by the commission.

AMENDATORY SECTION (Amending Order 23, filed 9/23/74)

**WAC 230-04-080 Certain activities to be operated as a commercial stimulant only—Licensing of food and/or drink businesses.**

The commission may issue a license to operate punchboards and pull tabs (~~(, or)~~) or public card rooms (~~(, licensed for use as a commercial stimulant)~~) as commercial stimulants to any established business primarily engaged in the sale of food and/or drink items for consumption on the licensed premises. Such activities shall not be operated other than as a commercial stimulant. The following requirements apply to applicants for a license to use gambling activities to stimulate food and/or drink sales:

(1) For purposes of chapter 9.46 RCW and these rules, a business shall be presumed to be a "food and/or drink business" as defined by WAC 230-02-370 if:

(a) It is licensed by the liquor control board to sell alcohol beverages at retail to the public for on-premises consumption and:

- (i) It is a tavern that holds a valid Class "B" liquor license; or
- (ii) It is a restaurant with a cocktail lounge that holds a valid Class "H" liquor license.

(b) It sells food and/or drink items at retail to the public and:

(i) All food is prepared and served for consumption on the licensed premises: *Provided*, That food may be prepared at other locations and served on the premises if the food is:

- (A) Prepared by the licensed business; or
- (B) Purchased from caterers by the licensed business as a wholesale transaction and resold to customers at retail.

(ii) The total gross sales of food and/or drink, for on-premises consumption, is equal to or greater than all other combined nongambling gross sales, rentals, or other income producing activities which occur on the licensed premises when measured on an annual basis. Applicants seeking qualification for a license under this subsection shall submit data necessary to evaluate compliance with these requirements as a part of their application. For purposes of determining total gross sales of food and drink for on-

premises consumption, meals furnished to employees, free of charge, shall be treated as sales only if:

- (A) Detailed records are maintained;
- (B) The sale is recorded at estimated cost or menu price, but not more than five dollars per meal; and
- (C) No more than one meal per employee is recorded during any four-hour work shift.

(2) When an individual, partnership, or corporation operates two or more businesses within the same building or building complex and such businesses meet the requirements of subsection (1)(a) or (b) of this section, one of the businesses may be designated as a "food and/or drink business" if all of the following conditions are met:

(a) The business being stimulated is physically isolated from all other businesses by walls and doors that clearly demonstrate the business is separate from other business being transacted at that location;

(b) All business transactions conducted by the applicant business are separated from the transactions conducted by all other businesses:

- (i) Legally in the form of a separate corporation or partnership; or
- (ii) By physical separation of all sales and accounting functions, and the methods of separation are approved by the commission;

(c) All gambling activities are located and occur upon the licensed premises, as defined in the license application and approved by the commission; and

(d) All gambling activities occur only when the food and/or drink business is open for customer service.

AMENDATORY SECTION (Amending Order 251, filed 5/17/94, effective 7/1/94)

**WAC 230-08-130 Quarterly activity reports by operators of punchboards and pull tabs.** Each licensee for the operation of punchboards and pull tabs shall submit an activity report to the commission concerning the operation of the licensed activity and other matters set forth below:

(1) Reports shall be submitted detailing activities occurring during each of the following periods of the year:

- (a) January 1st through March 31st;
- (b) April 1st through June 30th;
- (c) July 1st through September 30th; and
- (d) October 1st through December 31st.

(2) A report shall be submitted for any period of time the activity was operated or a license was valid. If ~~((the licensee does not renew his license, then he shall file))~~ a license is not renewed, a report for the period between the previous report filed and the expiration date ~~((of his license))~~ shall be submitted;

(3) The report form shall be furnished by the commission and the completed report shall be received in the office of the commission or postmarked no later than ~~((30))~~ thirty days following the end of the period for which it is made~~((:))~~;

(4) The report shall be signed by the highest ranking executive officer or ~~((his))~~ their designee. If the report is prepared by someone other than the licensee or ~~((his))~~ an employee, ~~((the))~~ the preparer shall print his/her name and phone number on the report~~((:))~~;

PERMANENT

Purpose: This rule was amended to require food and/or drink businesses to be open to the public at all times gambling activities are operated.

Citation of Existing Rules Affected by this Order: Amending WAC 230-04-080.

Statutory Authority for Adoption: RCW 9.46.070.

Adopted under notice filed as WSR 99-13-206 on June 23, 1999, with a publication of July 7, 1999.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at Request of a Nongovernmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's Own Initiative: New 0, Amended 1, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted Using Negotiated Rule Making: New 0, Amended 1, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.

Effective Date of Rule: Thirty-one days after filing.

August 18, 1999

Susan Arland

Rules Coordinator

AMENDATORY SECTION (Amending WSR 95-07-094, filed 3/17/95, effective 7/1/95)

**WAC 230-04-080 Certain activities to be operated as a commercial stimulant only—Licensing of food and/or drink businesses.** The commission may issue a license to operate punch boards and pull-tabs or public card rooms as commercial stimulants to any established business primarily engaged in the sale of food and/or drink items for consumption on the licensed premises. Such activities shall not be operated other than as a commercial stimulant and the food and/or drink business shall be open and providing service to the general public at all times gambling activities are operated. The following requirements apply to applicants for a license to use gambling activities to stimulate food and/or drink sales:

(1) For purposes of chapter 9.46 RCW and these rules, a business shall be presumed to be a "food and/or drink business" as defined by WAC 230-02-370 if:

(a) It is licensed by the liquor control board to sell alcohol beverages at retail to the public for on-premises consumption and:

(i) It is a tavern that holds a valid Tavern - No Persons Under 21 Allowed License (formerly referred to as a Class "B" liquor license); or

(ii) It is a restaurant with a cocktail lounge that holds a valid Spirits, Beer and Wine Restaurant License (formerly referred to as a Class "H" liquor license).

(b) It sells food and/or drink items at retail to the public and:

(i) All food is prepared and served for consumption on the licensed premises: Provided, That food may be prepared at other locations and served on the premises if the food is:

(A) Prepared by the licensed business; or

(B) Purchased from caterers by the licensed business as a wholesale transaction and resold to customers at retail.

(ii) The total gross sales of food and/or drink, for on-premises consumption, is equal to or greater than all other combined nongambling gross sales, rentals, or other income producing activities which occur on the licensed premises when measured on an annual basis. Applicants seeking qualification for a license under this subsection shall submit data necessary to evaluate compliance with these requirements as a part of their application. For purposes of determining total gross sales of food and drink for on-premises consumption, meals furnished to employees, free of charge, shall be treated as sales only if:

(A) Detailed records are maintained;

(B) The sale is recorded at estimated cost or menu price, but not more than five dollars per meal; and

(C) No more than one meal per employee is recorded during any four-hour work shift.

(2) When an individual, partnership, or corporation operates two or more businesses within the same building or building complex and such businesses meet the requirements of subsection (1)(a) or (b) of this section, one of the businesses may be designated as a "food and/or drink business" if all of the following conditions are met:

(a) The business being stimulated is physically isolated from all other businesses by walls and doors that clearly demonstrate the business is separate from other business being transacted at that location;

(b) All business transactions conducted by the applicant business are separated from the transactions conducted by all other businesses:

(i) Legally in the form of a separate corporation or partnership; or

(ii) By physical separation of all sales and accounting functions, and the methods of separation are approved by the commission;

(c) All gambling activities are located and occur upon the licensed premises, as defined in the license application and approved by the commission; and

(d) All gambling activities occur only when the food and/or drink business is open for customer service.

WSR 99-18-003

PERMANENT RULES

GAMBLING COMMISSION

[Order 376—Filed August 18, 1999, 12:25 p.m.]

Date of Adoption: August 13, 1999.

Purpose: Changes were made to maintain consistency with chapter 10.97 RCW. Language was added to clarify that licensee and applicant conviction data submitted or obtained during the investigative process can be released through public disclosure.

# Attachment I

WSR 06-07-157

## PERMANENT RULES

### GAMBLING COMMISSION

[ Order 457 -- Filed March 22, 2006, 9:35 a.m. , effective January 1, 2008 ]

Effective Date of Rule: January 1, 2008.

Purpose: The gambling commission is rewriting its rules manual using plain English techniques. The rules manual has been divided into sections and is being rewritten a section at a time. The first sections reviewed are the licensing chapter. As part of the rewrite, some items from other chapters (chapter [230-02](#) WAC, General provisions and definitions; chapter [230-04](#) WAC, Licensing; chapter [230-08](#) WAC, Records and reports; and chapter [230-12](#) WAC, Rules of general applicability), may be incorporated into the new licensing chapter. Following are rules regarding licensing and permitting which are rewritten in plain English and numbered as chapter [230-03](#) WAC. Fees related to permits, licenses, and identification stamps are numbered as chapter [230-05](#) WAC.

Statutory Authority for Adoption: [RCW 9.46.070](#).

Adopted under notice filed as WSR 06-04-057 on January 27, 2006, with a published date of February 15, 2006.

Changes Other than Editing from Proposed to Adopted Version: [WAC 230-03-020](#) and [230-03-210](#) were updated to reflect changes to current rules filed under WSR 06-04-040 with a published date of February 15, 2006, and adopted under WSR 06-07-084. The amendment increased the threshold to qualify for a punchboard/pull-tab business permit from \$20,000 to \$25,000.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at Request of a Nongovernmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's Own Initiative: New 76, Amended 0, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted Using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 76, Amended 0, Repealed 0.

Date Adopted: March 22, 2006.

Susan Arland

Rules Coordinator

OTS-8542.3

Chapter [230-03](#) WAC

# Attachment I

## NEW SECTION

**WAC 230-03-175 Requirements for commercial stimulant businesses.** Businesses must provide evidence for us to determine the business' qualifications as a commercial stimulant as set forth in [RCW 9.46.0217](#). That evidence includes, but is not limited to:

(1) Proof that it is an "established business" as used in [RCW 9.46.0217](#). "Established business" means any business that has been open to the public for sales of food or drink for on-premises eating and drinking for ninety days or more; or

(a) Provides us with a proposed operating plan which includes:

(i) Hours of operation; and

(ii) Estimated gross sales from each separate activity the business will conduct on the business premises including, but not limited to:

(A) Food or drinks for "on-premises" eating and drinking; and

(B) Food or drinks "to go"; and

(C) All other business activities; and

(b) Is ready to conduct food or drink sales; and

(c) Passes an inspection by us; and

(2) Proof that it is "primarily engaged in the selling of food or drink for consumption on premises" as used in [RCW 9.46.070\(2\)](#). "Primarily engaged in the selling of food or drink for consumption on premises" means that before receiving a gambling license the business has total gross sales of food or drink for on-premises consumption equal to or greater than all other combined gross sales, rentals, or other income-producing activities which occur on the business premises when measured on an annual basis.



## Attachment J

**WAC 230-03-175 Requirements for commercial stimulant businesses.** Businesses must provide evidence for us to determine ~~((the business'))~~ their qualifications as a commercial stimulant as ~~((set forth))~~ required in [RCW 9.46.0217](#). That evidence includes, but is not limited to:

(1) Proof that it is an "established business" as used in [RCW 9.46.0217](#). "Established business" means any business that:

~~(a)~~ Has been open to the public for sales of food or drink for on-premises eating and drinking for ninety days or more; or

~~((a) Provides))~~ (b) Passes an inspection by us, is ready to conduct food or drink sales, and gives us ~~((with))~~ a proposed operating plan which includes:

(i) Hours of operation; and

(ii) Estimated gross sales from each separate activity the business will conduct on the business premises including, but not limited to:

(A) Gross sales from food or drinks sold for "on-premises" eating ~~((and))~~ or drinking; and

(B) Gross sales from food or drinks sold "to go"; and

(C) Gross sales from all other business activities; and

~~((b) Is ready to conduct food or drink sales; and~~

~~(e) Passes an inspection by us; and))~~

(2) Proof that it is "primarily engaged in the selling of food or drink for consumption on premises" as used in [RCW 9.46.070\(2\)](#). "Primarily engaged in the selling of food or drink for consumption on premises" means that before receiving a gambling license the business has total gross sales of food or drink for on-premises consumption equal to or greater than all other combined gross sales, rentals, or other income-producing activities which occur on the business premises when measured on an annual basis.

[Statutory Authority: [RCW 9.46.070](#). 06-07-157 (Order 457), § 230-03-175, filed 3/22/06, effective 1/1/08.]

# WSGC's Response to Question 4

Wager Limit Changes as of January 13, 2023 - Prepared by Commission Staff

Date/Year	POKER in:			HBCR	HBCR	Tribal
	Card room	Class F	HBCR			
1974	\$2					
1977	\$5					
1990	\$10					
1991-1995 Phase I					13 tables @	\$10
					10 tables @	\$25
1991-1995 Phase II					9 tables @	\$10
					13 tables @	\$25
					1 table @	\$100
1995 Phase I						\$250
1995 Phase II						\$500
2000	\$25	\$25	\$25	New HBCR	\$25	
				Exper HBCR	\$100	
2003					\$100	
2004				limited tables	\$200	
2006					\$200	
2008	\$40	\$40	\$40		\$300 *	
2013	\$40	\$40	\$40			
	Texas Hold'Em only	\$100	\$100			
Sept 2016	\$40	\$100	\$300*			
Dec 2016	\$40	\$300*	\$300*			
2021-current						\$500
Limitation Appendix					25% of tables @	\$1,000
					Limited, pre-screened	\$5,000

\* No documentation was found indicating a basis for how the new wager limits were determined.

Poker (blue) and HBCR (green) wager limits are set by rules adopted by the commission based on the authority granted by the legislature in [RCW 9.46.070\(11\), Powers and duties, and](#) [RCW 9.46.0282, Definition of social card game.](#)

Tribal wager limits are set by the respective Tribal-State Compacts.

# WSGC's Response to Question 5

<https://www.in2013dollars.com/us/inflation/2008?amount=300>

## \$300 in 2008 is worth \$413.55 today

Amount	Start year	End year	
\$ 300	2008	2023	Calculate

[\\$300 in 2010 – 2023](#) [\\$300 in 2005 – 2023](#) [Inflation rate in 2023](#) [Future inflation calculator](#)

### Inflation from 2008 to 2023

Cumulative price change	37.85%
Average inflation rate	2.16%
Converted amount (\$300 base)	\$413.55
Price difference (\$300 base)	\$113.55
CPI in 2008	215.303
CPI in 2023	296.797
Inflation in 2008	3.84%
Inflation in 2023	6.45%
\$300 in 2008	\$413.55 in 2023

## Value of \$300 from 2008 to 2023

\$300 in 2008 is equivalent in purchasing power to about \$413.55 today, an increase of \$113.55 over 15 years. The dollar had an average inflation rate of 2.16% per year between 2008 and today, producing a cumulative price increase of 37.85%.

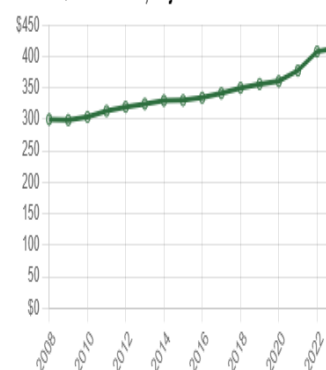
This means that today's prices are 1.38 times as high as average prices since 2008, according to the Bureau of Labor Statistics consumer price index. A dollar today only buys 72.543% of what it could buy back then.

The inflation rate in 2008 was 3.84%. The current inflation rate compared to last year is now 6.45%. If this number holds, \$300 today will be equivalent in buying power to \$319.36 next year. The current inflation rate page gives more detail on the latest inflation rates.

### Contents

1. Overview
2. Buying Power of \$300
3. Inflation by City / Country
4. Inflation by Spending Category
5. Formulas & How to Calculate

### \$300 in 2008, adjusted for inflation





<https://www.in2013dollars.com/us/inflation/2008?amount=300>

**Dollar inflation: 2008-2023**

<b>Year</b>	<b>Dollar Value</b>	<b>Inflation Rate</b>
2008	\$300.00	3.84%
2009	\$298.93	-0.36%
2010	\$303.84	1.64%
2011	\$313.43	3.16%
2012	\$319.91	2.07%
2013	\$324.60	1.46%
2014	\$329.86	1.62%
2015	\$330.26	0.12%
2016	\$334.42	1.26%
2017	\$341.55	2.13%
2018	\$350.06	2.49%
2019	\$356.23	1.76%
2020	\$360.62	1.23%
2021	\$377.57	4.70%
2022	\$407.78	8.00%
2023	\$413.55	1.42%*

\* Compared to previous annual rate. Not final. See [inflation summary](#) for latest 12-month trailing value.

Jess Losi:

Thank you, chair. Commissioners ex officios, for the record, my name's Jess Losi. I'm a special agent in the regulation unit. Feel free to turn to tab six and your commission meeting packet. We have a petition for discussion and possible filing regarding wagering limits for house bank card games. If you recall, at the August 2022 meeting, commissioners accepted a petition and chose to initiate rulemaking to amend WAC 230-15-140 related to wager limits for house bank card games. Before you today are four draft language options to consider in no particular order. We've labeled these as option A, B, C, and D. Option A will allow wagering limits over the current maximum limit of \$300, but not to exceed 500 under certain conditions. Conditions include limits over \$300 must be approved in internal controls. Only three tables will be authorized to have the higher limits. Licensees must establish a designated space such as like high limit room for the tables where limits over \$300 will be played.

Problem gambling signage must be posted in that room, and verification that players are not on the self-exclusion list will be required before players can wager over \$300. Option B increases a maximum wagering limit from \$300 to \$500 for a single wager. And option C increases the maximum wagering limit from \$300 to \$400 per a single wager. And then the last rule draft roll option increases the maximum wagering limit from \$300 to \$500. And in addition, it allows wagering limits up to a thousand dollars. Again, under certain conditions as I just referenced with regards to option A, the conditions are the same. You'll notice as one of your attachments staff completed a history of wagering limits document that outlines all the wagering limits for tribal casinos and house bank card rooms since the mid 1970s to current.

I also wanted to note for the commissioners, when we first received this petition along with all petitions, we create a link on our public website for the public to go in and provide comment on all our petitions. So we did that right away with this particular petition. After the August commission meeting, we did receive a letter from a general manager from Chips and Palace and Lakewood in support of raising the wagering limits as originally proposed by the petitioner. Staff, since the August commission meeting, also held a stakeholder meeting. We opened up to the industry, the gaming industry. We had 14 participants. The overall consensus in that stakeholder meeting was they were supportive of raising the wagering limits. Staff also held a meeting with our tribal partners to discuss this petition.

Over the last couple months, the petitioner, if you recall, Vicki Christopherson, she represents Maverick Gaming. She submitted three different documents that are also attached in your meeting packet. One of the documents addressed some of the questions that commissioners had at the August commission meeting. Another document they provided gave a brief history of gambling in Washington state. And then the last document was a review that they did of wagering limits and states other than Washington. It should be noted that WGC staff has not independently verified the facts contained in those documents, but they are attached for reference. Staff during the last couple months have reached out to the Evergreen Council on prom gambling for feedback or any further resources to see what type of impact higher wagering limits would have on prom gambling. We haven't received any specific information yet, but staff did find an impact study. Was that a Massachusetts? In the rule summary, there's a couple links that you can go to, to review what the findings were. Neither report that we saw indicated the higher wagering limits were predictors of prom gambling.

If the commissioners do choose to file one of the rule options that I mentioned earlier today, staff will begin seeking feedback from licensee tribal partners in the public again, once we have a better direction on potentially the rule version. And your options for today are to file one of the draft language options for further discussion, request staff to continue to work on draft language, file the amended language with changes you can make during this public meeting, or withdraw the notice of rulemaking and state any reasons for the withdrawal. One other note I will make for the commission is the earliest we could

bring this rule package back to you for final action would be at the March 2023 meeting. So I'll stay on for any questions you may have. And that concludes.

Commissioner Levy:

Thank you, Jess. Does anyone have any comments? Commissioners, any questions? I think maybe I'll start because I remember, and it might have been the August meeting, I think I requested the October meeting minutes, but we'll have to figure that out. But Commissioner Reeves had a lot of questions surrounding this and I don't recall what all those questions were, which is why I wanted to look at the minutes and review those. And I think that it looks like Maverick kind of went through and answered most of those questions, which I appreciate. That took a lot of work. It's very lengthy.

But I think what me personally would like to look back at some of the questions, see what Maverick put forward, pick out what's the most important now for trying to... I still don't feel like I have quite enough information, and well, I appreciate that Maverick put it all forward. And there could be bias, so maybe get the staff to pick out some of the things and continue to work on some of those answers and get some of more of the questions answered. Which I don't know that the staff can tackle all of those because it was a lot. But just to try to narrow it down some. So that's what I would like to do at this point. I don't know how the other commissioners feel. Commissioner Patterson.

Commissioner Patterson:

Thank you. Commissioner Levy, what questions are on are you talking? What things are you talking about? Can you give me some examples?

Commissioner Levy:

No. When we first opened this up, there was a lot of questions by not only her. I think Representative Kloba had quite a few questions as well. And then it was a lengthy discussion. I would just need to look back through the minutes. That's what, and determine exactly. And maybe we don't need them all answered. I just want to make sure because I remember thinking at that meeting that there was a lot of important discussion that occurred and a lot of things that were brought up.

Commissioner Patterson:

So procedurally, I'm a little confused. There were any questions that were asked. Maverick did respond. You're saying that they fully respond.

Commissioner Levy:

They did. The staff didn't get to verify everything, and so I just want a little bit of verification on some of the materials they brought forth. I'll do some of my own research on what they brought forth. It was a lot of information that Maverick brought forth. I read through it all. I just want to be able to verify it and make sure that I have a full understanding. And that if some of it needs to be clarified or verified by our own staff, that we can have the opportunity to do that.

Commissioner Patterson:

Okay. That sounds great. I just want to ask staff to be sure to include that information in the packet when we take this up next time.

Commissioner Levy:

Yeah.

Commissioner Patterson:

I mean if they're maybe the best way to do it is to outline questions were how [inaudible 00:32:38] answer and what is left that needs to be answered.

Commissioner Levy:

Right. Yeah. And I just personally think I need a little bit more time to do that before I feel comfortable just choosing one of these options. That's all.

Commissioner Sizemore:

Okay. And I guess you kind of answered it maybe towards the end, you feel like you need more time prior to choosing one of the options or any other option that we have. Okay. I think while I respect that, I think if we maybe go through public comment, certainly if there were any other commissioner questions, I think maybe at that point maybe we can see if we're still on that same spot and then maybe consider a motion and then see where that goes to whether that ends the matter or moves in along would be my proposal.

Commissioner Levy:

All right. That sounds good. Let's see. Commissioner Lawson, did you have any comments so far?

Commissioner Lawson:

Thank you Commissioner Levy or Chair Levy. No, I think that I'm in the same position where I would like to see some of the information that was provided. In support of the rule change, I would like to see that information verified by commission staff.

Commissioner Sizemore:

Okay. Thank you. So are we ready for public comment [inaudible 00:34:34] commissioners? Do we have any public comment on this?

Vicki Christopherson:

Yes. [inaudible 00:34:41] sign up share.

Commissioner Levy:

You're fine.

Vicki Christopherson:

Good afternoon, commissioners. Vicki Christopherson here today on behalf of Maverick Gaming. Thanks again for continuing to work on this important proposal. I guess what I want to start with is Lisa and your finance person basically made our case. The same reason that you are seeking to increase license fees, those issues with respect to the cost of doing business, it hasn't been since 2018 that our wager limits have been adjusted. It's been since 2009. We're now on 14 years without an adjustment to the wager limit in card rooms. So for the industry, when we look at the fact that it is in fact shrinking, it is a very difficult industry to be in, and making sure that the companies can remain solvent just as the

commission needs to do as well. I think it's important that these issues that we bring forward in rule petitions are addressed in a timely manner.

You're right, the hearing happened in August, and Jess will correct me, I'll have to go back and look at my email, but I'm pretty sure we provided all of this information in September-ish, maybe October, which seems to me to be enough time to get some verification about the information that we provided. The state's wager limits information we provided is publicly available and we only compared of states that had commercial wagering, commercial gaming like ours so that we could be doing an apples to apples comparison. I understand in talking to many folks over the last several months that there's some policy concerns or questions around whether high limit in the thousand dollars range is the right way to go. And to me that issue, it's fair to say that that issue needs some more discussion and something we would be willing to continue to do. But with respect to the adjustment from three to our suggested 500, honestly, to us, that seems fairly routine given that it's been since 2009, since our wager limits have been adjusted.

It does not out of the ordinary. And again, given the constraints and the realities that all businesses including state agencies are dealing with now, the cost of workers, the cost of benefits, the cost of supplies and goods, the cost of food, everything is going up. And you can see the consolidation happening in our industry, it's happening partly because of these issues. And in our opinion, the commission has an obligation to work with us to ensure that the industry can remain solvent.

We have a bit of frustration in that we have now four rule petitions before you, three of them have been 10 months with no discussion or action, this one since August. And so I understand the desire for more time. At the same time we really look to collaborate. We're not going to oppose fee increases. That's obviously something that comes with our work with the commission, but we just ask for the same consideration for our businesses as we continue to go forward. So I would hope that the commission could move forward with initiating rulemaking on the \$500 limit. That still gives you plenty of time because you wouldn't be adopting it now. You'd be directing staff to draft language, which then you could continue to get answers to your questions while that conversation is going on. A delay in initiating rulemaking until March then puts us again several months until some action can be taken. So that's our request. I appreciate the consideration, appreciate the complexities, and we stand ready to answer any questions. Thank you.

Commissioner Levy:

Thank you. Okay. Do we have any other comments or...? Hello?

Luke Esser:

Good afternoon. My name is Luke Esser. I speak on behalf of the Kalispel Tribe. And our interest in this rule's petition was initially drawn by the petitioner's reference to tribal gaming as was indicated on the first page of the staff report. The final bullet under the petitioner feels this changes as needed for several reasons. And the final bullet initially was to keep the wagering limits for card rooms fair and consistent with competitors, specifically tribal casinos. And I think we have hopefully put that issue to rests with the discussion about how fundamentally different tribal gaming is as created on and regulated under India Gaming Regulatory Act at the federal level versus the state structure for commercial gaming.

I am among those who thought that there was going to be a thorough review by staff in the lead up to this discussion as to the foundations of the authorization by the legislature for the card rooms in the

state of Washington. And while Maverick certainly has the right to present their response to that background, I think the commission would benefit from a more objective analysis.

And one point I'll make, but I don't think it's been addressed at all, is that it is still part of state law RCW 94, 946070 about the gaming commission. The commission shall have the following powers and duties sub two to authorize and issue licenses for a period not to exceed one year to any person association or organization operating a business primarily engaged in the selling of items and food or drink for consumption on the premises. And so I think the commission should, before even entertaining an increase in these betting limits, go back and take a look at the foundation that the legislature has provided to you for the whole construct of card room gaming in the state of Washington.

And the final point I want to make is regarding inflation and the suggestion that there's a merited increase, your staff has done a good job of pointing out that there's been four different benchmarks over time for the betting limits in the card rooms, the initial \$25 in 1997, up to \$100 in 2000, up again 2004 to \$200, up again in 2009 to \$300. And if you examine each of those and adjust for inflation, it's only the most recent of those for which there would be any argument that an inflationary adjustment is warranted. So I would encourage you to have staff verify that I took a look at my own numbers on usinflationcalculator.com, so I'm no expert in the field. But for most of those different benchmarks that have been adopted over time, you're already above with the current \$300 limit what inflation would've called for at this point in time. So I think there's a lot of unanswered questions for the commissioners to gather more information on before making a and rendering a judgment on this proposal. So thank you for the opportunity to share those thoughts.

Commissioner Levy:

Thank you very much. Is there any other comments?

Julie:

Okay. Commissioner Patterson.

Commissioner Levy:

Oh, commissioner Patterson.

Commissioner Patterson:

So, madam chair, I just wanted to say that I'm ready to take the vote today and it's the prerogative, the chair, I imagine to readjust the action on the agenda and that's what you signaled that you want to do. But I'm ready to take a vote today. I thought testimony was pretty compelling for how we've been delaying this. And then no explanation is to what the outstanding questions are that our staff have broadly addressed. So I wanted to put that on the record. I feel that unless we explain what [inaudible 00:43:08] we don't know or that we're uncomfortable about, which is what this [inaudible 00:43:12] is for, I'm ready to prove, or what it's-

Commissioner Levy:

All right. Does anyone else have any comments or we can open it up to a motion?

Commissioner Sizemore:

So the last public comment discussed RCW 9.46.070 sub two, which describes a business primarily engaged in the selling of items of food or drink. And yet I have also seen a different parts of the statute

9.46.02.17 that just is the definition of commercial stimulants and it doesn't include the term primary. So I think we have a conflicting statute it feels like, which doesn't give me any more confidence in whether, and I think it's a lot of it is certainly up to interpretation. I want to make sure that we're not outside of our lane, that we're staying within our authority. I think that with the definition of commercial stimulant being outlined and primary not being part of that, it lends itself to the fact that there's certainly a possibility that the legislature doesn't require that to be a primary function. And then you get into whether that's how do you define further define, which I think we have the authority to do by rule, which I don't know, director, whether we've done that by rule outside of the statute or if we have, I'd like to hear.

Director Griffin:

Yes. So there is a definition in rule of commercial stimulant, and it is WAC 230 03 175, excuse me. That's the requirements for commercial stimulant business. Give me a minute. I can see if we have a definition of commercial stimulants. We do not have a definition for commercial stimulant. Usually we don't have rules that when there's already an RCW because the RCW is authority language. So we do not have a definition of commercial stimulant in WAC. We only have the additional requirements for commercial stimulant business defined in WAC.

Commissioner Sizemore:

Okay. All right. Well, I guess that's conclusion of my remarks at this point.

Commissioner Levy:

Are there any other comments?

Commissioner Lawson:

This is Commissioner Lawson. I first would like to thank the petitioners for all the research and work that they've done here. There's a lot here to absorb and I want to thank you for taking the time to put this information together. I think I'd still like to see some analysis of the information that was put forward that would be done by commission staff that would be a bit more objective. And I would still like to see the minutes from our prior discussion to really be able to draw those lines linking the question that was asked by each commissioner and the answer that was provided by the petitioner in the materials. As well as have additional time to read and analyze the RCW and the WAC and come to some sort of conclusion about what those statutes and regulations say.

Commissioner Levy:

Thank you.

Commissioner Sizemore:

So I guess I have a question for my fellow commissioners of whether, sorry. So right now to get into the rulemaking process, right now we're at the 101 phase from what I understand. So 101 to start rulemaking has gone on, 102 is proposed language, and then certainly 103 is an up or down vote on adopting. Is that an accurate shorthand way of looking at it? So I guess from my fellow commissioners, I'm curious if folks feel like this is a conversation that can be had after adopting some proposed language today. And I think I heard Commissioner Patterson suggests yes, Commissioner Levy no, and Commissioner Lawson feels like maybe no. But I think that there may be some value in moving this along

to the 102 level. And maybe my first reason for that is that I would truly like to take the thousand dollars high limit proposal or aspect of this proposal off the table. I don't think that that's appropriate.

I think if we go back to the record back in August, I'm pretty sure that I made it pretty abundantly clear. I didn't feel like card rooms and tribal casinos were apples and apples and were not competitors in a sense as maybe as being suggested. So that record just will continue as long as this topic is before us, because our staff adds to that worksheet essentially, and those were contentions at the beginning. So all of that to say, I think that there may be some value in getting the thousand dollars high limit, part of the conversation off the table, go ahead and do a motion to do a 102, and then we're not limited to going forward, stopping, pausing, taking the time necessary to do what I think I'm hearing some folks need.

Commissioner Levy:

Okay. Just a question for staff, maybe. How long does the 102 period last?

Director Griffin :

Probably 180 days.

Commissioner Levy:

From like today or?

Director Griffin:

Nope, from when you file it. So we haven't filed anything with the code reviser's office. So 180 days from the filing of the document with the code revisers. So then you can renew that filing with the code reviser or another 180 days as well.

Commissioner Levy:

Okay. And then Commissioner Sizemore, not to put you on the spot, but what would be your proposal of, if you were to file that, what would the wager increases be?

Commissioner Sizemore:

Well, I think Commissioner Patterson had a motion that she wanted to make, so I don't want to step on that.

Commissioner Levy:

Okay.

Commissioner Patterson:

I was just going to express my opinion. I wasn't making a motion, but I mean, I'd be glad to put a motion forward that you can vote on. I don't know what good that would do because everyone's shown their cards, unless somebody's interested in changing. I can probably move forward with option B. If I were to make a motion, that's what I would move that we continue to consider option B.

Commissioner Levy:

And the only reason I was asking that, because I guess another question for staff, if we could stay B now 300 to 500, could we later lower it to 400 if we wanted to, or then you can still just do whatever?



Director Griffin:

Right. Any, because until you take final action, you can make changes. So if they're substantive or substantial, then you have to refile the 102. But yes, you can make changes.

Commissioner Levy:

Okay. Just want to make sure. Okay. Is there any other comments then?

Commissioner Sizemore:

I guess I have one more. Hopefully just one more. And this is to staff. So for our usual rules process, the 102 is really when we do the heavy duty stakeholder work generally?

Director Griffin:

Correct.

Commissioner Sizemore:

Okay.

Director Griffin:

Because there's nothing when there's no rule.

Commissioner Sizemore:

No potential language.

Director Griffin:

Well, at this point we've just initiated rulemaking and the petitioner has provided a suggested language. So that would be the only thing to talk about. I mean we could listen to feedback, but that is somewhat what we did in September is feedback on the petition because there was no language. And if I may, I will add that even if the rule is up for final action, you can decide not to move forward with rulemaking at that time. So you could withdraw the initiation of rulemaking at that time. So just because something is filed, even with the 102 and you're ready to come forward for final action, it can be removed.

Commissioner Levy:

Thank you. Hey, do we have any other comments? Yes, commissioner Patterson.

Commissioner Patterson:

So having listened to all that, I'm just curious if we move forward for rulemaking process, if I were to forward a motion that we move forward with option B, is that not enough time for commissioners to get their other questions answered so that they could be incorporated into discussion about that motion?

Commissioner Levy:

I think 180 days is probably enough time. Yeah.

Commissioner Patterson:

Okay.

Commissioner Lawson:

Yeah, I agree. 180 days is enough time. And I'm comfortable with moving forward with one of the options presented. My only caveat was that I just needed more time to digest everything that's been presented and wanted a little bit more counterpoint from commission staff. But given that that is still going to take place once we take action today, then I'm comfortable with taking a vote on one of the options.

Commissioner Patterson:

Okay. Well, having that'll forward a motion when you're ready [inaudible 00:56:57].

Commissioner Sizemore:

[inaudible 00:56:57] need to make a motion.

Commissioner Levy:

Okay. We have a motion then. Yes, go ahead.

Commissioner Patterson:

Are you ready for a motion?

Commissioner Levy:

Yes.

Commissioner Patterson:

Okay. So I'd like [inaudible 00:57:05] this time we move forward with option B, which will increase the maximum waging from, excuse me, yes, B, which will move the limit from 300 \$500 for a single wager.

Commissioner Levy:

Thank you. Do we have a second?

Commissioner Sizemore:

I'll second that.

Commissioner Levy:

Okay. All those, sorry, do we have any additional comments now that's been moved and seconded? Okay. Then all those in favor, please say aye.

Commissioner Sizemore:

Aye.

Commissioner Lawson:

Aye.

This transcript was exported on Jan 11, 2023 - view latest version [here](#).

Commissioner Levy:

Aye.

Commissioner Patterson:

Aye.

Commissioner Levy:

All right. The motion passes four commissioners.

## Lohse, Jess (GMB)

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**From:** Griffin, Tina (GMB)  
**Sent:** Thursday, August 11, 2022 1:31 PM  
**To:** Lohse, Jess (GMB)  
**Subject:** FW: Wager limit rule change petition  
**Attachments:** Wager limit rule change petition.pdf

Please put this with the HBCR rules file. It was read into the record of the Commission meeting on August 11, 2022.

---

**From:** AgencyWebsite (GMB) <agency.website@wsgc.wa.gov>  
**Sent:** Thursday, August 11, 2022 8:05 AM  
**To:** Anderson, Julie (GMB) <julie.anderson@wsgc.wa.gov>; Griffin, Tina (GMB) <tina.griffin@wsgc.wa.gov>  
**Subject:** FW: Wager limit rule change petition

Nicole Frazer  
Administrative Assistant 3, CEU/Regulations  
Agency Evidence Officer & Agency ACCESS TAC  
Phone: 509-325-7905 Cell - 509-530-0743  
[Nicole.Frazer@wsgc.wa.gov](mailto:Nicole.Frazer@wsgc.wa.gov)

---

**From:** Tony Johns - Chips & Palace Casinos <[tjohns@evergreengaming.com](mailto:tjohns@evergreengaming.com)>  
**Sent:** Wednesday, August 10, 2022 5:31 PM  
**To:** AgencyWebsite (GMB) <[agency.website@wsgc.wa.gov](mailto:agency.website@wsgc.wa.gov)>  
**Subject:** Wager limit rule change petition

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External Email

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To whom it may concern,

Please see the attached statement on behalf of Evergreen Gaming regarding the Table limit rule change petition on the agenda for the 8/11/22 meeting.

Thank you,

**Tony Johns**  
**General Manager**  
**Chips/Palace Casinos**  
**Lakewood, Wa**  
**253-720-8369**



Evergreen gaming wishes to support the submitted rules petition requesting that the maximum wager limits be increased to \$500 and \$1,000 limited to no more than three table games. Evergreen gaming believes that this rule change is necessary to continue to keep up with the increasing wage growth and skyrocketing inflation. Evergreen gaming wishes to remain competitive with its pay and benefits offerings throughout the food and entertainment industry. The \$500 table limits will play a vital role in doing this and the \$1,000 limits, on up to three table games will allow us to provide a desirable option to the top 3% of guests who currently go out of state where comparable limits are offered. We thank you for your consideration of this rule change and look forward to participating in future discussions on how to implement it most effectively in a way that promotes safe and responsible gaming.

Tony Johns

A handwritten signature in dark ink, appearing to read "Tony Johns", with a long, sweeping underline.

General manager

Chips Casino and Palace Casino

Lakewood, WA.

## **Follow up to questions posed by WSGC member to Maverick Gaming petition to increase wager limits**

The following QA includes the queries mentioned in public meetings and other correspondence specific to Maverick Gaming's request for an update to regulations to allow a wager increase for Washington cardrooms.

### **Historical foundation:**

The Washington State Legislature Passed [SHB 473](#) in 1974 to allow cardrooms. Significant updates to the initial law have occurred only four times since 1981.

- 1981 – Allowance for a local tax on card room revenue increased from 5% to 20% (there is no state tax on gambling). Fees from card rooms support the operations of its regulatory body, the Washington State Gambling Commission. [SB 3307](#)
- 1996 – Card rooms expanded from 5 tables to 15 tables. [SB 6430 bill page](#). Bill Text
- 1997 – Nontribal House-banked card rooms approved. [SB 5560 bill page](#).
- [Bill Text](#)
- 2006 – Wager limits for card rooms increased to \$200 at all tables. Previously, a \$200 wager limit was only allowed at three tables per card room.
- 2007 – Rules published in the [Washington State Register](#) by the Washington State Gambling Commission, defining the sale of food and drink by card game licensees as a “commercial stimulant” that should not be included in gross gambling receipts:
  - “If card game licensees prepare and provide food and drink as a part of the entry fee, they may treat the fair market value of the food and drink as commercial stimulant sales and not include it as gross gambling receipts.”
- 2008 – Card rooms allowed to expand hours to operate seven days a week, 24 hours per day. Previously, card rooms were only authorized to operate 20 hours per day.
- 2009 – Wager limits for card rooms increased to \$300 at all tables. Previously, a wager limit of \$200 was in place for all tables.
- 2012 – Card rooms authorized to offer carryover pots for up to 10 games. This was previously not authorized. Wager limits for “Texas hold ‘em” games raised from \$40 to \$100.

### **QA**

***How did you arrive at your request for \$500 limits from \$300 limits? How does chain inflation factor into this? What are the impacts of inflation on cardroom operations?***

- Minimum wage in 2009 was \$8.55 when wager limit increased from \$250 to \$300.

- Minimum wage in 2022 is \$14.49 now which is 1.69x of 2009 would point to an the increase of close to \$508. We rounded it down to \$500.
- Minimum wage is going to be \$15.74 next year but we think \$500 is still reasonable.

Washington's card rooms are a legal, regulated participant in our state's economy and the laws and rules governing their operation should reflect the economic reality of the times.

- The impact of inflation has driven operating costs have been greatly affecting stability
  - Food & Beverage
    - Food, beverage, and liquor are significant in cost to our operations. Attached food items we paid in 2019 has now increased by +50% this year. The same buffet menu we offered in 2019 costs **60% more to do now**. **A list of current price sheet will be provided separately.**
  - Gaming Equipment
    - Two of our essential and most used gaming equipment, playing cards and gaming chips, have a significant jump on the price under the inflation
      - Playing cards up from \$0.80 per deck to now \$1.66 per deck, a **107.5% increase**
      - Gaming chips up from \$1.39 (qty 2,000) and \$0.78 (qty 3,000) to \$2.54 (qty 2,000) and \$2.28 (qty 3,000). **82.7% increase in cost**
  - Supply shortage
    - The shortage has been another factor to drive the cost increase because when we cannot receive, for example, ketchup in time from our supplier we will need to shop around wherever there's a supply. The imbalance in supply and demand naturally grants the product to whom pays more and that inevitably drove up our cost to supply products to our guests.
    - Freight is the other factor that has put more weight on the increase of product costs
  - Payroll
    - This data of min wage increase has been addressed in prior meeting and with another new 8.6% increase, effective January 2023, is going to make it harder to operate in a healthy margin
    - To get people hired, the cost is much higher than the min wage increase. We are competing with other employers for the same pool of workable source in WA, where the living costs is on the top list across the nation's 50 states. McDonald is hiring at \$23.00 while they were able to increase a Big Mac combo from \$9 to \$13.50 now to justify the payroll increase.
    - Due to COVID, the employee insurance cost has also increased from the claims and premium by insurance company.

***How will tier 1, 2 and 3 supplies be impacted by this proposed increase in wager limits?***

***How have the statutes and rules evolved for "social card games" and "commercial stimulants"?***

The laws and rules governing social card games have been updated by the Legislature and the Washington State Gambling Commission since their creation in 1974 to reflect the economic reality of the times. *Please see “A Brief History of Gambling in Washington” for a general timeline and contextual information.*

Social card games were first defined in statute in [SHB 473](#), adopted in 1974, as a regulated gaming option available for bona fide charitable or non-profit organizations. Social card games were also available to any person, organization or association when utilized as a commercial stimulant. In 1987, the Legislature in adopting [HB 6](#) determined the definition of “commercial stimulant” relating to social card games as: “an activity that is an incidental activity operated in connection with, and incidental to, an established business, with the primary purpose of increasing the volume of sales of food or drink for consumption on that business premises.”

Following the opening of the first Tribal casinos in 1992, the Legislature in a 95-0 vote in the House and a 35-14 vote in the Senate defined “commercial stimulant” as no longer secondary or incidental to an established business. In adopting [HB 2382](#), the Legislature revised the definition of “commercial stimulant” relating to social card games, striking the two instances of the word “incidental” and one of “primary.” “‘Commercial stimulant,’ as used in this chapter, means an activity is operated as a commercial stimulant, for the purposes of this chapter, only when it is an ~~incidental~~ activity operated in connection with, ~~and incidental to~~, an established business, with the primary purpose of increasing the volume of sales of food or drink for consumption on that business premises.”

In 1996 and 1997, the definition of social card games was again updated by the Legislature to increase the maximum number of tables from five to 15 and to allow for house-banked card rooms. According to legislative records, testimony, and a review of floor speeches by lawmakers, the Legislature was responding to a desire to allow card rooms to remain a competitive business. The Commission engaged in corresponding rulemaking to adopt the regulations governing the operation of house-banked card rooms.

Additional rulemaking after the creation of house-banked card rooms includes four updates to the wager limits allowed for house-banked card rooms from 2006 to 2012. Finally, in 2007, [rules](#) published by the Washington State Gambling Commission defined the sale of food and drink by card game licensees as a “commercial stimulant” that should not be included in gross gambling receipts.

When first created by the Legislature in 1974, social card games were defined as an ancillary operation to help stimulate the commercial or non-profit operations of a primary business or organization. Since 1974 – and especially since the opening of the first Tribal casinos in Washington - the Legislature has made multiple updates to the definition of social card games in statute so that they are now operated as primary for-profit commercial businesses, often with a corresponding secondary business of food and drink. The Commission has also reflected this definition in statute in its rulemaking, both in increasing wager limits to reflect the economic reality of the times and categorizing gross receipts for tax purposes.

***Please provide more detail for the assertion that in the 1990’s the legislature chose expansion for card rooms (5-15 tables and allowance of house banked cardrooms).***

In 1996, the state legislature approved the expansion from five tables to 15 tables for cardrooms. ([SB 6430 bill page](#). [Bill Text](#)) The Senate Bill report reads as follows:



This legislation as introduced in the Senate would expand tables from 5 to 15 and allow for house-banked card rooms. However, a substitute bill removed allowing house-banked card rooms and replaced that provision by allowing for player-supported progressive prize contests. After passing the Senate, the House attached an amendment to provide the Commission \$1 million from the General Fund. After passing the House, the Senate refused to concur, and the House receded from the amendment before again passing the bill (this time with 5 more yay votes).

**Testimony against:** Dick Dorsett, Pierce County; Maureen Morris, Association of Cities.

**Testimony for:** Senator Schow, prime sponsor; Steven Downen, Riverside Inn; George Teeney, card room operator; Dave Pardee, Skyway Bowl; Robert Saucier, Mars Hotel; Fred Steiner, Diamond Lil's; Art Lawerson, Cafe International; Lou Dales, Tower Inn

**Senate sponsors:** Schow, Spanel

**House sponsors:** Thompson, Quall, Thomas, L., Clements, Schmidt, Blanton, Buck, Schoesler, Cairnes, Conway

***Senate approved 30-14-5, House approved 78-13-7 on first vote, 83-15-0 on second vote.***

✓ Governor signed (Lowry)

In 1997 the state legislature established house-banked, nontribal cardrooms. ([SB 5560 bill page](#). [Bill Text](#))

House Bill Testimony Summary: "The house would make more money acting as the banker. The commission would still set wagering limits and establish the number of tables up to the maximum allowed under current law. This bill will allow card rooms to compete with the tribal casinos."

Relevant testimony from TVW's archives includes the following:

[Senate Floor Debate](#) - ~35:00 – Sen. Schow says that the update was so that the Commission would know everyone who is participating in a game.

[No mention of commercial stimulant.]

[House Floor Debate](#) - ~1:07:00 – Rep. McMorris says that the update is needed so not just anyone can bank a game and will allow owners of card rooms to make sure the games are run well. Rep. Wood says this will help a lot of the small card rooms

[House Bill report](#)

**No testimony against.** Pro Testimony: Steve Down, Recreational Gaming Association; Rob Saucier, Mars Hotel; and Julia Porter, Eddie's Diner.

**Senate Sponsors:** Schow, Prentice, Snyder, Anderson, Horn

**House Sponsors:** Cairnes, Hatfield, Conway, Fisher, Zellinsky

***Senate Approved 44-1, House Approved 97-0***

✓ Governor signed (Locke)

***How are house-banked card rooms (HBCRs) marketing themselves currently?***

Like restaurants, theaters, and sports, playing cards is one choice people have for entertainment. For those who gamble, playing cards at a neighborhood destination is marketable for a relaxed, convenient environment, programs that offer loyalty discounts, a good meal, community connection. We are the local Cheers bar.

Just as a movie theater markets itself as a destination for watching movies, house-banked card rooms market themselves as a destination for playing cards.

***What triggers, strings, and centers of influence should determine, beyond the economic factors, when and why we raise limits in HBCRs?***

For every sector in every industry, economic factors and time are key and determining factors for updates to regulation. An unchanging, stagnant environment over time is not a reality for any sector. That reality is fundamental for our request to increase wager limits. Customer choice, customer autonomy, the standard need for any business in the entertainment or hospitality industry to evolve to meet its customer's needs (or lose their business) is very much at the crux of increased wager limits at cardrooms.

A regulated utility raises rates to ensure its services meet the needs of its customers. A regulated sector such as liquor and spirits asks for permission to include tasting rooms in distilleries to respond to customer demand. Regulated providers for broadband access must ask for permission to build new infrastructure that responds to both consumer demand and the requirements of technology to function properly on its networks. Those with liquor licenses ask for the allowance to provide outdoor "café" service and food truck operators advocate for updates to parking regulations. In every instance, the needs of the people who use, enjoy, and rely on the service should be accommodated safely and responsibly in regulation. The *opposite* action, limited or reticent updates to the rules, affects the choice, control, and costs for consumers first and above everything else.

Historically the Gambling Commission has followed the Legislature's lead in updating wager limits to reflect the ongoing economic and competitive evolution of gambling in our state. Cardrooms are a legal participant in our state's economy and the laws and rules governing their operation should reflect the economic reality of the times. Updates that respect the cardroom industry have been updated a total of four times since 1981. In 2022, an update is reasonable.

Inflation impacts the operations of card rooms much like it impacts the operations of any commercial business. For card rooms, inflation drives up the cost of essential items such as poker chips and cards, the wages of employees, health care benefits and food costs.

***Is there a comparison between Washington cardrooms and Tribal casinos?***

No. Cardrooms do not compete with Tribal casinos on any aspect of business, except for the card players at the 15 tables they are allowed to host. 90% of cardroom customers live within 3 miles and can drop by to watch the game and meet friends for beers and burgers, or to play cards somewhere that is local and familiar. Washington cardrooms are modest both in physical footprint and gaming choices that we may offer local customers. Each property has a maximum of 15 card tables. In addition to state regulations,

card rooms have to comply with local requirements around zoning and taxes. Class III gaming, such as slots, are not available at our properties in Washington. Each card room is tailored for its neighborhood, often featuring a bar, kitchen, and regular events (such as a drag show brunch at a location in Tukwila), for its customers.

Except for the handful of card games that can be played at a Washington cardroom or at a Tribal casino, the enterprises are vastly different in scale and offerings.

***Is Maverick Gaming owned by out-of-state, maybe even foreign investors from other countries?***

No. Maverick's finances, and those of its owners, are required to be disclosed to and vetted in detail by the State Gambling Commission, a regulatory requirement designed to identify and prevent corruption in the industry. Maverick Gaming's \$500 million investment in the state, and each enterprise it owns and operates (including LLCs it purchased), does so under the Maverick Gaming umbrella, which is based in Kirkland, Washington. References to LLCs in the public record that are owned and operated by Maverick Gaming but based outside of Washington may be described as a "foreign entity LLC." This means that it is a property operating elsewhere in the United States, such as Colorado or Nevada. It does not mean that it is a business own or operated outside of the United States.

In addition to disclosing its source of funds as required by its regulator, Maverick Gaming also publicly shares information on its financing on its website via [press release](#): Deutsche Bank, Credit Suisse, Jefferies Group and US Bank. A review of records provided by the Washington State Gambling Commission confirms that Maverick Gaming's financing is analogous to financing of Tribal casinos in Washington.



## A Brief History of Gambling in Washington State

### 1971-1986

When card rooms were first authorized by the Legislature, the parameters of their operations reflected their times: gambling was newly legal in Washington following a public vote and a cautious Legislature sought to bring gambling out of the corrupt shadows while stopping well short of Las Vegas style gambling.

### 1987-2006

When Tribal casinos first opened their doors and significantly changed the gambling sector in Washington, the Legislature again updated the parameters for commercial card rooms to reflect the times: additional tables and the ability for house-banked operations.

- "Commercial stimulant" definition revised by Legislature so that cardrooms no longer defined as a secondary business or "incidental" to another operation.

### 2006-TODAY

The Commission has subsequently followed the Legislature's lead in updating wager limits to reflect the ongoing economic and competitive evolution of gambling in our state.

Like restaurants, theatres and sports events, playing cards is one choice people have for entertainment. Over the past 50 years, the Legislature has adopted policy and the Washington State Gambling Commission has enacted rules that affirm the ability of cardrooms to operate in an evolving business environment, including after the launch of now several thriving Las Vegas style Tribal casinos.

**1971** – The Legislature adopts HB 291 to create broad framework for legal gambling in Washington. Governor vetoes the legislation.

**1972** – [SJRS](#) approved by WA voters (61.67-38.33), the measure repealed the prohibition against lotteries and instituted a requirement of a supermajority vote via the legislature or

a ballot measure to conduct one. The measure amended [Section 24 of Article II](#) of the Washington State Constitution.

**1973** – Gambling Commission created. Legislature authorizes pull tabs, bingo, raffles, card rooms and "Las Vegas Night" fund-raisers. Governor vetoes card rooms [SHB 711](#).

*As passed by the Legislature, SHB 711 included card rooms and social card games, but Governor Evans used his line item veto to strip the bill of card rooms and social card games. He argued that "It is clear from the last election that the people desire bingo and raffles. However, I believe that we should proceed to establish the gambling commission and allow it to experience in this area before moving further direction of allowing other activities."*

**1974** – Card rooms approved – [SHB 473](#) – (emergency clause attached but vetoed. Certain aspects of card games also vetoed e.g. entrance fee)

*"The legislature hereby authorizes any person, association or organization to conduct social card games and to utilize punch boards and pull-tabs as a commercial stimulant."*

*Governor Evans again used his line item veto for aspects of the bill concerning card rooms. While allowing the new authorization this time to proceed, he vetoed language that he believed would make it too easy to host a card game, saying "These items all for public card rooms which pose serious problems of have the effect of paving the way enforcement to local police officials and foster a climate of open tolerance and/or clandestine payoffs for non- enforcement of gambling laws and regulations."*

*The Legislatures bill also blocked any local jurisdiction from imposing a ban on card rooms. Evans vetoed this language. He also vetoed the emergency clause.*

*The Commission maintains a [list of local bans](#).*

**1980** - [Gamscam](#)

**1981** – Allowance for a local tax on card room revenue increased from 5% to 20% (there is no state tax on gambling). Fees from card rooms support the operations of its regulatory body, the Washington State Gambling Commission. [SB 3307](#)

**1982** – Legislature authorizes state lottery (budget crisis - \$235 million deficit). [HB 1251](#)

**1987** – The Legislature recodifies existing statutes regulating gambling, creating new definitions and other updates. In a new section, the Legislature in adopting [HB 6](#) determined the definition of "commercial stimulant" relating to social card games as:

*“an activity that is an incidental activity operated in connection with, and incidental to, an established business, with the primary purpose of increasing the volume of sales of food or drink for consumption on that business premises.”*

**1988-92** – Congress authorizes Indian Gaming Regulatory Act, Tulalips and Lummi first Tribes in WA to complete compact negotiations and open their casinos in 1992.

**1994** – Activities defined as a “commercial stimulant” are no longer defined as only secondary or incidental to an established business. By a 95-0 vote in the House and 35-14 vote in the Senate, the Legislature amends in [HB 2382](#) the definition of “commercial stimulant” relating to social card games, striking the two instances of the word “incidental” and one of “primary:”

*“Commercial stimulant,’ as used in this chapter, means an activity is operated as a commercial stimulant, for the purposes of this chapter, only when it is an ~~incidental~~ activity operated in connection with, ~~and incidental to,~~ an established business, with the ~~primary~~ purpose of increasing the volume of sales of food or drink for consumption on that business premises.”*

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[Bill Text](#)

#### [Senate Bill report](#)

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Senate sponsors: Schow, Spanel

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L., Clements, Schmidt, Blanton, Buck, Schoesler, Cairnes, Conway

Senate approved 30-14-5

House approved 78-13-7 on first vote, 83-15-0 on second vote.

Governor signed (Lowry)

**1997** – Nontribal House-banked card rooms approved, adding “house-banked” to definition of social card games. [SB 5560 bill page](#).

[Bill Text](#)

[House Bill Testimony Summary](#): “The house would make more money acting as the banker. The commission would still set wagering limits and establish the number of tables up to the maximum allowed under current law. This bill will allow card rooms to compete with the tribal casinos.”

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**2006** – Wager limits for card rooms increased to \$200 at all tables. Previously, a \$200 wager limit was only allowed at three tables per card room.

**2007** – Rules published in the [Washington State Register](#) by the Washington State Gambling Commission, defining the sale of food and drink by card game licensees as a “commercial stimulant” that should not be included in gross gambling receipts:

*“If card game licensees prepare and provide food and drink as a part of the entry fee, they may treat the fair market value of the food and drink as commercial stimulant sales and not include it as gross gambling receipts.”*

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**2012** – Card rooms authorized to offer carryover pots for up to 10 games. This was previously not authorized. Wager limits for “Texas hold ‘em” games raised from \$40 to \$100.

## December 1, 2022 - Maverick-provided spreadsheet on wagering limits in other states

State	Table Limit	Craps	Roulette	Baccarat	Website	Notes
Alabama	NA	NA	NA	NA		
Alaska	NA	NA	NA	NA		
Arizona	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	<a href="https://gaming.az.gov/">https://gaming.az.gov/</a>	Sports betting racetracks & OTBs
Arkansas	NA	NA	NA	NA	<a href="#">Arkansas Casino Gaming Rules   Department of Finance and Administration</a>	Horse racing only
California	Unlimited	Unlimited	Unlimited	Unlimited	<a href="http://www.cgcc.ca.gov/">http://www.cgcc.ca.gov/</a>	
Colorado	Unlimited	Unlimited	Unlimited	Unlimited	<a href="https://sbg.colorado.gov/gaming/limited-gaming">https://sbg.colorado.gov/gaming/limited-gaming</a>	
Connecticut	NA	NA	NA	NA		Sports betting Lottery retailers
Delaware	Unlimited	Unlimited	Unlimited	Unlimited	<a href="#">203 Video Lottery and Table Game Regulations (delaware.gov)</a>	Wagers set by licensee and approved by th agents. Sports betting lottery retailers and Racinos
Florida	NA	NA	NA	NA	<a href="#">Statutes &amp; Constitution :View Statutes : Online Sunshine (state.fl.us)</a>	Pari-mutuel Betting not house banked
Georgia	NA	NA	NA	NA		Only one casino cruise ship
Hawaii	NA	NA	NA	NA		
Idaho	NA	NA	NA	NA		Illegal
Illinois	Unlimited	Unlimited	Unlimited	Unlimited	<a href="https://www.igb.illinois.gov/">https://www.igb.illinois.gov/</a>	Wagers set by the licensee
Indiana	1,000/2,000	1,000/2,000	1,000/2,000	1,000/2,000	Called French Lick casino	Main wager/ high limit respectively
Iowa	NA	NA	NA	NA	<a href="#">Gaming Fees   Iowa Racing and Gaming Commission</a>	Pari-mutuel betting race tracks and river boats
Kansas	Unlimited	Unlimited	Unlimited	Unlimited	<a href="#">20120213_112-108-38.pdf (ks.gov)</a>	Set by licensee
Kentucky	NA	NA	NA	NA		Horse racing and slots only
Louisiana	Unlimited	Unlimited	Unlimited	Unlimited	<a href="http://lgcb.dps.louisiana.gov/">http://lgcb.dps.louisiana.gov/</a>	Set by licensee
Maine	NA	NA	NA	NA	<a href="#">Casino Statute and Rules - Gambling Control Unit (maine.gov)</a>	Electronic table games only
Maryland	\$500	\$500	\$500	\$500	Called Rocky Gap Casino	
Massachusetts	\$1,000	\$1,000	\$1,000	\$1,000	Called MGM Springfield Casino	
Michigan	Unlimited	Unlimited	Unlimited	Unlimited	Called MGM Detroit Casino	Must be approved by their Agents
Minnesota	NA	NA	NA	NA	<a href="#">Home   Minnesota Gambling Control Board (mn.gov)</a>	Charitable gaming only
Mississippi	Unlimited	Unlimited	Unlimited	Unlimited	Pearl River Resort	Must be approved by their Agents
Missouri	Unlimited	Unlimited	Unlimited	Unlimited	<a href="#">MISSOURI GAMING COMMISSION (mo.gov)</a>	
Montana	Poker - Pot Limit of \$800	NA	NA	NA	<a href="https://rules.mt.gov/gateway/ChapterHome.asp?Chapter=23%2E16">https://rules.mt.gov/gateway/ChapterHome.asp?Chapter=23%2E16</a>	Non Tribal Poker Only
Nebraska					<a href="https://revenue.nebraska.gov/">https://revenue.nebraska.gov/</a>	Sports betting Racinos only
Nevada	Unlimited	Unlimited	Unlimited	Unlimited	<a href="https://gaming.nv.gov/">https://gaming.nv.gov/</a>	
New Hampshire	NA	NA	NA	NA	<a href="#">Welcome   NH Racing and Charitable Gaming Commission</a>	Sports betting, Lottery and Charitable gaming
New Jersey	Unlimited	Unlimited	Unlimited	Unlimited	Called Borgata Casino in Atlantic City	Gaming notified.
New Mexico	NA	NA	NA	NA	<a href="#">Regulations   New Mexico Gaming Control Board (nm.gov)</a>	
New York	NA	NA	NA	NA	<a href="#">NYS Gaming Commission : Gaming</a>	Electronic table games only
North Carolina	NA	NA	NA	NA		Tribal, bingo, raffles and charitable
North Dakota	NA	NA	NA	NA	<a href="#">Gaming   Attorney General (nd.gov)</a>	Charitable, online tribal and lottery
Ohio	\$5,000	\$5,000	\$5,000	\$5,000	Jack Casino Cleveland	
Oklahoma	NA	NA	NA	NA		
Oregon	NA	NA	NA	NA	<a href="https://www.doj.state.or.us/charitable-activities/charitable-gaming/charitable-gaming-license-applications-and-reports/">https://www.doj.state.or.us/charitable-activities/charitable-gaming/charitable-gaming-license-applications-and-reports/</a>	Sports betting lottery retailers and online
Pennsylvania	Unlimited	Unlimited	Unlimited	Unlimited		In person and iGaming
Rhode Island	10000	200	200	10000		
South Carolina	1000	500	500	NA		Boat only
South Dakota	1000	1000	1000	1000	<a href="https://dor.sd.gov/businesses/gaming/sd-commission-on-gaming/">https://dor.sd.gov/businesses/gaming/sd-commission-on-gaming/</a>	
Tennessee	NA	NA	NA	NA		Sports betting online only
Texas	NA	NA	NA	NA	<a href="https://statutes.capitol.texas.gov/Docs/CN/htm/CN.3.htm#3.47">https://statutes.capitol.texas.gov/Docs/CN/htm/CN.3.htm#3.47</a>	
Utah	NA	NA	NA	NA		
Vermont	NA	NA	NA	NA		
Virginia	50000	50000	50000	50000		
Washington	300	NA	NA	300	<a href="https://www.wsgc.wa.gov/">https://www.wsgc.wa.gov/</a>	
Washington, D.C.	NA	NA	NA	NA		
West Virginia	Unlimited	Unlimited	Unlimited	Unlimited	<a href="http://www.wvlegislature.gov/WVCODE/Code.cfm?chap=29&amp;art=22C#22C">http://www.wvlegislature.gov/WVCODE/Code.cfm?chap=29&amp;art=22C#22C</a>	Must be approved by state lottery commission
Wisconsin	No	No	No	No		
Wyoming	No	No	No	No		Sports betting online only



## Lohse, Jess (GMB)

---

**From:** no-reply@wsgc.wa.gov on behalf of Washington State Gambling Commission via Washington State Gambling Commission <no-reply@wsgc.wa.gov>  
**Sent:** Friday, January 27, 2023 2:19 PM  
**To:** Rules Coordinator (GMB)  
**Subject:** Request for Public Comment Submission from wsgc.wa.gov

External Email

Submitted on Friday, January 27, 2023 - 2:18pm Submitted by anonymous user: 74.82.229.35 Submitted values are:

Select a Topic: Petition for Rule Change: Wagering limits for house-banked card games

Name: Jerry Howe

Organization: Ellensburg Gaming, Inc.

Comments: We are a small room that caters to locals and we don't have very many customers that would utilize the higher limits, but it would be a nice option to have for those that are interested. It would allow us to keep more of the local customers at home rather than them leaving our area to seek out higher limits. These new proposed limits would merely catch us up to how much everything else has increased in recent years.

The results of this submission may be viewed at:

<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwsgc.wa.gov%2Fnode%2F19%2Fsubmission%2F3776&data=05%7C01%7Crules.coordinator%40wsgc.wa.gov%7C6cc9ea8ddb2b49f351f808db00b476bc%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C638104547350714236%7CUnknown%7CTWFpbGZsb3d8eyJWlloiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTil6lk1haWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=czXD47C2d%2FnhgT4Tu%2BgOFgYsj4urVmApZcFGmypONA8%3D&reserved=0>

**Rule Petition to Amend**

WAC 230-13-080- Operating coin or token amusement games.



**February 2023 – Discussion and Possible Action**

**May 2020 – Commission Review**

**April 2020 – Rule-Making Petition Received**

**Tab 3 : FEBRUARY 2023 Commission Meeting Agenda.**

**Statutory Authority 9.46.070**

**Who Proposed the Rule Change?**

Steve Manning, Tacoma, Washington

**Background**

**BOLD = Changes made after May 2020 commission meeting.**

The petitioner is proposing to amend WAC 230-13-080, Operating coin or token amusement games, to change the meaning of “department or grocery store” to remove the requirement that the department or grocery store must have more than ten thousand square feet of retail and support space, not including the parking areas.

The petitioner feels this change is needed because COVID-19 has had devastating effects on businesses deemed “non-essential”. By implementing this rule change, the petitioner feels this will allow amusement game operators the ability to expand the number of locations that amusement games can be placed to include smaller grocery and retail stores. The petitioner feels that the square footage stipulation is arbitrary, and the change should have no impact on regulation or enforcement.

**At the May 2020 commission meeting, the Commissioners initiated rule-making.**

**On April 1, 2022, Mr. Manning submitted a request to withdraw the petition for rule-making. On May 9, 2022, staff withdrew rulemaking with the Code Reviser.**

Attachments:

- Petition
- WAC 230-13-080
- **Email from Mr. Manning on April 1, 2022**
- **Memo to Code Reviser received May 9, 2022**

**Staff Recommendation**

**Staff is seeking the Commissioners concurrence in withdrawing rule-making as requested by the petitioner.**

**An alternative would be for the Commissioners to direct staff to reinstate rule-making.**

**From:** [dan.heisel@watech.wa.gov](mailto:dan.heisel@watech.wa.gov) on behalf of [WSGC Web Rules Coordinator \(GMB\)](#)  
**To:** [Rules Coordinator \(GMB\)](#)  
**Subject:** Request a Rule Change Submission from wsgc.wa.gov  
**Date:** Wednesday, April 22, 2020 2:18:18 PM

---

Submitted on Wednesday, April 22, 2020 - 2:18pm  
Submitted by anonymous user: 24.16.220.95  
Submitted values are:

Petitioner's Name: Steve Manning  
Mailing Address: 4714 Fairwood Blvd. NE Unit 702  
City: Tacoma  
State: WA  
Zip Code: 98422  
Phone: 253-245-0100  
Email: shamcom@msn.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 230-13-080 Operating coin or token amusement games

I am requesting the following change:

Current rule:

(j) Grocery or department stores. A "department or grocery store" means a business that offers the retail sale of a full line of clothing, accessories, and household goods, or a full line of dry grocery, canned goods, or nonfood items plus some perishable items, or a combination of these. A department or grocery store must have more than ten thousand square feet of retail and support space, not including the parking areas.

Proposed rule:

(j) Grocery or department stores. A "department or grocery store" means a business that offers the retail sale of a full line of clothing, accessories, and household goods, or a full line of dry grocery, canned goods, or nonfood items plus some perishable items, or a combination of these.

This change is needed because: The devastating effect on the Amusement Game operators business revenue due to Covid 19 related non essential business closures.

The effect of this rule change will be:

This will allow amusement operators the ability to expand the number of locations that amusement games can be placed in, to include smaller grocery and retail stores. Due to the impact of Covid 19 many of our amusement games are sitting idle in bars, restaurants, pizza places, FEC's, skating rinks, etc.

The square footage stipulation in the current rule is arbitrary and the change should have no impact on regulation or enforcement, while expanding opportunity for amusement operators and smaller businesses.

The results of this submission may be viewed at:  
<https://wsgc.wa.gov/node/18/submission/1552>

**WAC 230-13-080 Operating coin or token activated amusement**

**games.** (1) Coin or token activated amusement games must have nonresetting coin-in meters, certified as accurate to within plus or minus one coin or token in one thousand plays, which stop play of the machine if the meter is removed or disconnected when operating at:

- (a) Amusement parks; or
- (b) Regional shopping malls; or
- (c) Movie theaters; or
- (d) Bowling alleys; or
- (e) Miniature golf course facilities; or
- (f) Skating facilities; or
- (g) Family sports complexes.

(i) A "family sports complex" is a facility, at a permanent location, to which people go to play sports. A family sports complex must offer multiple sports activities, such as indoor soccer, outdoor soccer, lacrosse, baseball, Frisbee, and lawn bowling and the gross receipts must be primarily from these sports activities.

(ii) A family sports complex does not include a facility owned or operated by a school or school district; or

(h) Amusement centers; or

(i) Restaurants; or

(j) Grocery or department stores. A "department or grocery store" means a business that offers the retail sale of a full line of clothing, accessories, and household goods, or a full line of dry grocery, canned goods, or nonfood items plus some perishable items, or a combination of these. ~~A department or grocery store must have more than ten thousand square feet of retail and support space, not including the parking areas.~~

(2) All coin or token activated amusement games must have a coin acceptor capable of taking money for one play and may have an additional acceptor to include paper money.

(3) Operators using amusement games that do not return change must have a change-making bill acceptor or the ability to get change in the immediate vicinity of such games. All amusement games using paper money acceptors must either:

(a) Return change; or

(b) Clearly disclose to players before play that change is not returned and disclose to them where at the location they may get change.

(4) The maximum number of group 12 amusement games a licensee may have in their licensed premises is limited to:

(a) Twenty games for charitable and nonprofit licensees;  
and

(b) Ten games for commercial licensees.

[Statutory Authority: RCW 9.46.070, 9.46.0201. WSR 16-09-045 (Order 719), § 230-13-080, filed 4/15/16, effective 5/16/16.  
Statutory Authority: RCW 9.46.070. WSR 09-15-067 (Order 650), § 230-13-080, filed 7/13/09, effective 8/13/09; WSR 08-11-036 (Order 625), § 230-13-080, filed 5/14/08, effective 7/1/08; WSR 07-21-116 (Order 617), § 230-13-080, filed 10/22/07, effective 1/1/08; WSR 07-15-064 (Order 612), § 230-13-080, filed 7/16/07, effective 1/1/08.]

## Laydon, Ashlie (GMB)

---

**From:** Steve Manning <SHAMCOM@msn.com>  
**Sent:** Friday, April 1, 2022 4:42 PM  
**To:** Laydon, Ashlie (GMB)  
**Subject:** Re: Petition Follow Up

External Email

Hi Ashlie! Thank you for the follow up on this. I would like to withdraw this petition please.  
Thanks again,  
Steve

Sent from my iPhone

On Apr 1, 2022, at 3:39 PM, Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov> wrote:

Mr. Manning,

I hope all is well with you. I wanted to follow up with you regarding the petition you submitted in 2020. Your petition is currently on hold per our correspondence below. Do you foresee wishing to move forward with rulemaking in the near future or would you like to withdraw it at this time?

Thank you,

**Ashlie Laydon**

Rules Coordinator | Legal and Records Division

Washington State Gambling Commission

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

☎ (360) 485-1604 | ✉ ashlie.laydon@wsgc.wa.gov

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<image003.png>

<image004.jpg>

<image005.png>

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**From:** Steve Manning <shamcom@msn.com>

**Sent:** Wednesday, April 28, 2021 10:00 AM



**To:** Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>  
**Cc:** Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>  
**Subject:** Re: Petition Follow Up

External Email

Ashlie, thank you for your help so far in this process. After reading and re-reading your synopsis of Commission Staff concerns regarding my petition, I forwarded these communications to my superiors at our East Coast Headquarters.

Yesterday we discussed this process and they expressed frustration at the slow progress, noting that it has been a year since this petition was accepted by the Commissioners, and this is the first we have heard from Staff. They think it's time for me to re-direct my efforts.

Also, they feel it would be difficult for us to be more specific as to type of locations and rules language, since we are Distributors and will not actually operate the games. Our customers will be deciding where they would like to place, or not to place amusement games, and what game(s) would work best for them. I would have to consult with them at length, and then get back to you, or let them get back to you with the specifics you have requested. Therefore, I think it best to put this petition on hold for the time being, until we have time to work the details out

I appreciate your effort and that of the Staff. Thank you, again.

Steve Manning - 253-245-0100

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**From:** Laydon, Ashlie (GMB) <[ashlie.laydon@wsgc.wa.gov](mailto:ashlie.laydon@wsgc.wa.gov)>  
**Sent:** Monday, April 26, 2021 9:48 AM  
**To:** 'Steve Manning' <[shamcom@msn.com](mailto:shamcom@msn.com)>  
**Cc:** Considine, Brian (GMB) <[brian.considine@wsgc.wa.gov](mailto:brian.considine@wsgc.wa.gov)>  
**Subject:** Petition Follow Up

Mr. Manning,

Commission staff has discussed your request to remove the square footage requirements (i.e. "A department or grocery store must have more than ten thousand square feet of retail and support space, not including the parking areas.") in WAC 230-13-080(1)(j) in your petition our Commissioners accepted in May, 2020.

Commission staff is not comfortable with changing the requirements of a regional shopping center in statute and department or grocery store in rule. For example, Commission staff is against allowing amusement games to be operated in every convenience store as this is contrary to the current intent of both the statute and rule and would put enforcement/regulatory constraints on the agency as we don't have the staff to oversee all of those locations.

However, staff is comfortable in discussing department store or grocery store locations less than ten thousand square feet, but you will need to provide more information and specifics as to the type of location(s) you would like to expand the placement of amusement games. Additionally, you will need to provide proposed rule language that addresses staff's concerns and your preferred change before staff can move forward with a draft rule proposal to our Commissioners.

I'm happy to set up a meeting with myself and staff if you would like to discuss this further.

Thank you,

**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

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<image003.png>

<image004.jpg>

<image005.png>



**STATE OF WASHINGTON  
GAMBLING COMMISSION**

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

**Date:** April 28, 2022

**To:** Office of the Code Reviser  
Office of Financial Management  
Joint Administrative Rule Review Committee

**Subject:** Withdraw WSR 20-12-007

At the request of the petitioner, the Washington State Gambling Commission respectfully requests to withdraw WSR 20-12-007 filed on May 21, 2020, which included amending amusement game rules to change the square footage or size requirements for grocery or department store locations as the subject of possible rule making.

Sincerely,

A handwritten signature in black ink, appearing to read "Ashlie Laydon".

Ashlie Laydon  
Rules Coordinator  
Washington State Gambling Commission

OFFICE OF THE CODE REVISER  
STATE OF WASHINGTON  
FILED

**DATE: May 09, 2022**

**TIME: 11:57 AM**

**WSR 22-11-016**



**Rule Petition to Amend  
Card Room Surveillance.**

**February 2023 – Discussion and Possible Action  
January 2022 – Rule-Making Initiated  
November 2021 – Rule-Making Petition Received**

**Tab 4: FEBRUARY 2023 Commission Meeting Agenda.**

**Statutory Authority 9.46.070**

**Who Proposed the Rule Change?**

Tim Merrill, Maverick Gaming from Kirkland, Washington

**Background**

**BOLD = Changes made after the January 2022 commission meeting.**

Tim Merrill of Maverick Gaming in Kirkland, Washington is proposing to amend existing rules to allow for the ability to monitor card room gambling activity from one card room to a centralized surveillance room. **At the January 2022 meeting, Commissioners chose to initiate rulemaking that would address policy considerations.**

The petitioner feels this change is needed because the ability to have staff in a central location allows for the surveillance observers to be under experienced surveillance management that can provide consistent training. The petitioner states that the surveillance management team would be able to work together when it comes to investigating, reporting, writing, and reviewing any questionable footage. The petitioner feels that a centralized surveillance monitoring location would be an opportunity to promote consistency and allow instant communication to gaming agents and allow the surveillance management an opportunity to respond to equipment malfunctions quickly and effectively, which will streamline reporting to the Gambling Commission.

More importantly, the petitioner notes this change is needed because they are having a difficult time finding employees during these trying times and to run an efficient surveillance room, card rooms need to have qualified people to protect casino assets, customers, and employees, and maintain compliance.

The petitioner feels the effect of this rule change would ensure that all regulations are being followed and that video preservation is being observed as a controlled environment promotes confidentiality, teamwork, and safety. The petitioner points out this change would require an encrypted point to point connection from one card room to one central location.

Currently, rules require Class F and house-banked card room licensees to maintain analog or digital closed-circuit television (CCTV) systems within their licensed premises that is monitored by the licensee's card room employees. Licensed service suppliers may remotely access digital CCTV systems for maintenance or repair under certain conditions.

Attachments:

- Petition

**Policy Considerations**

**The purpose of surveillance systems is to, in a way that is not publicly accessible, document events that:**

- **Safeguard the licensee's assets,**
- **Protect the public, and**
- **Ensure the licensed gambling activities are conducted honestly and free of criminal elements and activities.**

Staff have the following policy concerns:

- RCW 9.46.240 prohibits the transmission of gambling information via the internet. Equipment that allows the transmission of gambling information during a live round of play, before the outcome of a wager has been determined, has not been previously allowed;
- Type of security encryption used to transmit surveillance video;
- Ability to remain a closed surveillance system;
- Location and access of stored and on-site surveillance video by our staff and law enforcement;
- Bandwidth to view surveillance without interruption;
- Response time of the licensed card rooms when contacted by the centralized surveillance room and vice versa;
- Licensure of the centralized surveillance room and its employees since they are not tied to a specific licensee;
- Who would be responsible for the centralized surveillance room violations when they are tied to a number of licensed card rooms;
- The number of card rooms the centralized surveillance room can adequately cover, staffing, etc.; and
- Ability to review, playback, record, magnify video surveillance with clarity, showing fluid motion and clearly distinguish the value of currency, coins, gaming chips, playing cards, and outcome of the game, and effectively monitor, in detail, all required areas.

The petitioner stated that they have received special permission in Colorado and Nevada to operate a centralized surveillance room. Staff has not confirmed that any jurisdictions in the U.S. currently allow for centralized surveillance rooms for gaming activities.

**Staff confirmed that Nevada and Colorado have approved variances authorizing centralized surveillance rooms for Maverick.**

**Nevada Gaming Commission and Nevada Gaming Control Boards Regulation 5.160, Surveillance systems, allows licensees to seek revisions and exemptions to the casino surveillance standards.**

**The Colorado Division of Gaming's Internal Control Minimum Procedures, Section 13, Surveillance system standards, requires each casino to have an "in-house" surveillance room, except for commonly owned casinos within the same county. They also authorize licensees to seek variances related to the surveillance.**

**Centralized surveillance is not authorized by most states, such as New Jersey, Pennsylvania, Massachusetts, Indiana, Illinois, Louisiana, Iowa, and Mississippi. Iowa allows the surveillance**

**room to be on a property adjacent to the casino. Mississippi allows satellite monitoring stations as approved by the Executive Director of the Gaming Commission.**

**Attachments:**

- **Letters requesting approval for centralized surveillance in Nevada**
- **Colorado Division of Gaming Internal Control Minimum Procedures Variance Request Forms**

**Stakeholder Feedback**

**On January 27, 2023, we received an email from Jerry Howe, owner of Wild Goose Casino in Ellensburg, in support of this rules petition. See attached email.**

**Staff Recommendation**

**Staff recommends withdrawing rulemaking due to the above listed policy concerns.  
An alternative would be for the Commissioners to direct staff to proceed with rule-making that addresses the policy concerns.**

**Lohse, Jess (GMB)**

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**From:** no-reply@wsgc.wa.gov on behalf of Washington State Gambling Commission via Washington State Gambling Commission <no-reply@wsgc.wa.gov>  
**Sent:** Friday, January 27, 2023 2:09 PM  
**To:** Rules Coordinator (GMB)  
**Subject:** Request for Public Comment Submission from wsgc.wa.gov

External Email

Submitted on Friday, January 27, 2023 - 2:09pm Submitted by anonymous user: 74.82.229.35 Submitted values are:

Select a Topic: Petition for Rule Change: Centralized surveillance for card rooms

Name: Jerry Howe

Organization: Ellensburg Gaming, Inc.

Comments: We are in favor of centralized surveillance for house banked games. We are a very small (five house banked tables) room and with wages going up dramatically it is difficult for us to cover the cost of manned surveillance. Large rooms can operate with one surveillance officer for fifteen tables yet we have the same one officer monitoring a maximum of five tables and often fewer than five tables. Several small rooms banding together for one centralized surveillance room may be one important step toward saving some of the small rooms. The improvements in technology in recent years should be able to adequately deal with the security issues.

The results of this submission may be viewed at:

<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwsgc.wa.gov%2Fnode%2F19%2Fsubmission%2F3775&data=05%7C01%7Crules.coordinator%40wsgc.wa.gov%7C99e2cef16787401392de08db00b3198c%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C638104541461502407%7CUnknown%7CTWFpbGZsb3d8eyJWljojoiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6Iik1haWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=rSQdxATUyznDW4apRyK1rkWGtmZsA3LHP4WDkiivMdo%3D&reserved=0>



STEVE SISOLAK  
Governor

## NEVADA GAMING CONTROL BOARD

1919 College Parkway, P.O. Box 8003, Carson City, Nevada 89702  
555 E. Washington Avenue, Suite 2600, Las Vegas, Nevada 89101  
3650 S. Pointe Circle, Suite 203, P.O. Box 31109, Laughlin, Nevada 89028  
557 W. Silver Street, Suite 207, Elko, Nevada 89801  
9790 Gateway Drive, Suite 100, Reno, Nevada 89521  
750 Pilot Road, Suite I, Las Vegas, Nevada 89119

SANDRA D. MORGAN, *Chairwoman*  
TERRY JOHNSON, *Member*  
PHIL KATSAROS, *Member*

June 5, 2020

Las Vegas  
(702) 486-2000  
Fax: (702) 486-2045

Ms. Kim McCabe  
Senior Vice President of Compliance  
Red Lion Inn and Casino  
2065 Idaho Street  
Elko, Nevada 89801

Re: Correspondence #2020-C407  
Surveillance Room Consolidation

Dear Ms. McCabe:

The Nevada Gaming Control Board has reviewed your correspondence received on June 2, 2020, requesting approval for a consolidated surveillance room.

According to your correspondence, the consolidated surveillance room will be located at Red Lion Inn and Casino to incorporate ongoing surveillance operations with Wendover Nugget Hotel and Casino, Red Garter Hotel and Casino, and Gold Country Inn and Casino.

Your consolidation request is approved, provided the following conditions are adhered to:

1. The surveillance room, system and camera coverage must be inspected and approved by the Enforcement Division after consolidation.
2. The consolidated room must maintain or exceed your current staffing levels.
3. All casino surveillance rooms must remain fully functional with the capability to monitor and record all gaming activity within the casinos. Additionally, all surveillance locations must have override capability to interrupt the remote surveillance location if needed.
4. Board agents must be granted immediate access 24 hours a day to the consolidated surveillance room and/or original surveillance rooms upon request.



Ms. Kim McCabe  
Page 2

Further questions should be directed to the Enforcement Division's Operations Unit at 555 East Washington Avenue, Suite 2600, Las Vegas, Nevada 89101.

Sincerely,

A handwritten signature in cursive script that reads "Terry Johnson".

Terry Johnson, Esq.  
Board Member

TJ/MC

cc: Sandra D. Morgan, Chairwoman  
Phil Katsaros, Board Member  
Enforcement (Las Vegas/Elko)  
Audit Division  
Tax and License Division  
Records and Research Services



June 2, 2020

Chairwoman Sandra Douglass Morgan  
Nevada Gaming Control Board  
555 E. Washington Suite 2600  
Las Vegas, Nevada 89101

Re: Maverick Gaming, LLC Request for Centralized  
Surveillance Room – Amended from our May 29, 2020  
submission to include Exhibit A

Dear Chairwoman Morgan,

We respectfully request approval to centralize our surveillance functions in our Red Lion Hotel and Casino (“Red Lion”) for all of our Northern Nevada properties, to include Wendover Nugget Hotel and Casino (“Nugget”), Red Garter Hotel and Casino (“Red Garter”), and Gold Country Inn Hotel and Casino (“Gold Country”).

The Nugget is the only property that falls within the requirements of Regulation 5 Surveillance Standard 2.010(8) of having a surveillance room

being attended at all times. The Red Garter and Red Lion are a category “C” licensee and the Gold Country is a category “D” therefore the surveillance rooms are not manned at all times, however we do have personnel that have a working knowledge and ability to operate the surveillance equipment and can provide immediate access to the secured surveillance rooms. Please see Exhibit A for property location specifics.

Our Nugget property had five (5) surveillance staff and a Director prior to the closure due to COVID-19. The Red Lion had a Surveillance Supervisor. The Red Garter and Gold Country, based on their close proximity to Nugget, and Red Lion, respectively, leveraged the staff at the Nugget and Red Lion.

With our proposed centralized surveillance team, we would have five (5) to six (6) surveillance staff and a Manager at the Red Lion that would be manned at all times. With Elko having a higher population than Wendover, we feel that we will be able to attract and retain more qualified surveillance staff at the Red Lion. Our Surveillance Director at the Nugget would be retained to handle the Nugget and Red Garter surveillance equipment and provide immediate access to Board agents when required. We also intend to train other members of the management team that will have working knowledge of the surveillance equipment. This will enable our teams at each property to facilitate investigations and NV GCB agent requests and provide immediate access to the surveillance room/area. Please see Exhibit A for employee specifics.

We submitted revised detailed Surveillance Plans for the Nugget, Red Lion, and Gold Country on May 28, 2020 to the Enforcement Division Operations Unit to address all Regulation 5 Surveillance Standard requirements.

We will submit a revised detailed Red Garter Surveillance Plan prior to reopening that property. We are using the closure period to improve the surveillance capabilities and coverage.

All of our properties have and will continue to have their own totally functioning and operational surveillance systems and rooms/area. Our centralized surveillance room at the Red Lion will act as the main viewing area and have remote viewing for all properties.

Pursuant to Regulation 5 Surveillance Standard 12, this is accomplished through a secured transmission line that is firewalled and password protected on both ends. The video transmission is encrypted and can be terminated by the host location.

We understand that the following conditions for approval will be imposed and we are committed to complying with said conditions:

1. Our surveillance room, system and camera coverage is to be inspected and approved by the Enforcement Division prior to the centralization.
2. Our staffing levels within the centralized room will be maintained at the levels outlined in this request for approval.
3. Each property will maintain a fully functional surveillance system with the ability to monitor and record gaming activity as required by Regulation 5 Surveillance Standards.
4. Each property will have complete override capability to interrupt or shut down the remote surveillance to the Red Lion centralized room.
5. Board agents will be granted immediate access to the centralized room and to the other property surveillance rooms/area.

Please let us know if you have any questions or would like further clarification. We appreciate your consideration of this request.

Best regards,



Kim McCabe  
SVP Compliance  
702-677-1270

Cc: Enforcement Division Operations Unit  
Michelle Campbell, Agent Enforcement Division  
Brian McIntosh, Supervisor Enforcement Division  
Ryan Sullivan, Special Agent Enforcement Division

# Exhibit A

## Property Location and Surveillance Employee Specifics:

The Wendover Nugget is located at 1225 Wendover Blvd. Wendover, NV. This property had four (4) surveillance staff, one(1) Supervisor and a Director prior to the closure due to COVID-19. With the centralization, the Nugget will consist of the Director and trained management staff to fill in when access is needed to the surveillance room. The training of the management team will begin the week of June 1, 2020.

The Red Garter is located at 1225 Wendover Blvd. Wendover, NV and relied on the staff at the Wendover Nugget. The Red Garter is 1.6 miles from the Nugget.

The Red Lion is located at 2065 Idaho Street, Elko, NV and had a Surveillance Supervisor. The centralized department will consist of five(5) to six (6) staff and a Manager. The existing Supervisor will be promoted to Manager and we will hire surveillance operators and technicians. We are in the process of recruiting for these positions. We will offer a transfer to some of the Nugget Surveillance staff that are willing to travel or move to Elko.

Gold Country is located at 2050 Idaho Street, Elko, NV and relied on the staff at Red Lion. Gold Country is 350 feet from the Red Lion.

The furthest property from the Red Lion is the Wendover Nugget, which is 107 miles.



# Colorado Division of Gaming Internal Control Minimum Procedures (ICMP) Variance Request Form



## Variance Requested and Justification:

*{Please draft the proposed internal control procedures by explaining the compensating control(s) and/or procedure(s) that will be implemented to replace the required outlined ICMP procedure(s) noted above. Also include a valid justification as to why the variance from the ICMP is necessary.}*

- Z Casino will have the Security Team conduct surveillance equipment checks every half hour when the surveillance room is unmanned, and if the connection to Surveillance at Grand Z (Variance #7) fails. All recording failures must be addressed within one hour of system notification and all video losses, that are not a result of routine maintenance, that exceed 15 minutes for critical cameras or an hour on other required gaming cameras will be immediately reported to the Division.
- In addition, we would like to use a Tablet during slot drop in order to complete the half hour checks more efficiently.
  1. Tablet will be stored in the surveillance room when not in use
  2. Tablet will not have public access or access by anyone outside Z Casino
  3. Tablet will be password protected
  4. No other apps will be installed on the tablet other than the native OS system, apps that cannot be removed and the browser to check the IP address
  5. If for any reason equipment checks cannot be completed via the tablet the drop team will stop, lock up the carts and keys every thirty minutes and Security will physically complete the equipment checks
- 

Z Casino does have a failure notification system in place that provides notification of any recording failure within 15 minutes but the room is unmanned at times. The system does not notify outside of the room.

# Colorado Division of Gaming Internal Control Minimum Procedures (ICMP) Variance Request Form



This form must be completed in its entirety as a MS WORD document prior to submission for consideration. Submission must be made VIA EMAIL as an ATTACHMENT.

**Date:** 12/3/19  
**Casino:** Z Casino  
**Prepared By:** Tahsha Braning  
**Job Title:** Internal Compliance Officer  
**Phone Number:** 303-271-2526  
**Email:** tbraning@jzscasino.com

<b>DIVISION USE ONLY</b>	
<b>Reviewed by:</b>	<u>Neely</u>
<b>Approved / Denied:</b>	<u>Approved</u>
<b>Variance Number:</b>	<u>517</u>
<b>Approved by:</b>	<u>Neely</u>
<b>Date:</b>	<u>11/15/2019</u>
<b>Variance Expires:</b>	<u>11/15/2020</u>
<b>File Updated By:</b>	<u>LP</u>

<b>Variance Request from ICMP...</b>	
<b>ICMP Section Title:</b>	<u>Surveillance</u>
<b>ICMP Section Number:</b>	<u>13</u>
<b>ICMP Sub-Section Title:</b>	<u>C</u>

**Colorado Division of Gaming  
Reserves the right to revoke or  
amend this variance at any time**

<b>ICMP Wording:</b>
<p><i>{In this area, please copy/paste or type the ICMP wording affected by the variance request. If the variance affects an entire ICMP Section summarize the section addressed by the variance}</i></p> <p>Regarding ICMP Section, Surveillance subsection C "The licensee must have a failure notification system that provides notification of any recording failure within 15 minutes. All recording failures must be addressed within one hour of system notification."</p>



# Colorado Division of Gaming Internal Control Minimum Procedures (ICMP) Variance Request Form



## Variance Requested and Justification:

*{Please draft the proposed internal control procedures by explaining the compensating control(s) and/or procedure(s) that will be implemented to replace the required outlined ICMP procedure(s) noted above. Also include a valid justification as to why the variance from the ICMP is necessary.}*

### **Requested Variance:**

Z Casino will have the Grand Z Surveillance operator conduct Surveillance equipment checks every half hour when the surveillance room at Z Casino is unmanned. All recording failures must be addressed within one hour of system notification and all video losses, that are not a result of a routine maintenance, that exceed 15 minutes for critical cameras or an hour on other required gaming cameras will be immediately reported to the Division.

### **Justification:**

Z Casino does have a failure notification system in place that provides notification of any recording failure within 15 minutes but currently the Security Team conducts the equipment checks every half hour. Allowing the Operator at the Grand Z to monitor the failure notification system for Z Casino would allow failures to be addressed sooner rather than later.

**If the connection between Grand Z Casino and Z Casino fails, and the Grand Z surveillance operator is unable to monitor the failure notification system, Z Casino staff will follow procedures outlined in Variance # 8.**

# Colorado Division of Gaming Internal Control Minimum Procedures (ICMP) Variance Request Form



This form must be completed in its entirety as a MS WORD document prior to submission for consideration. Submission must be made VIA EMAIL as an ATTACHMENT.

**Date:** 12/3/19  
**Casino:** Grand Z Casino  
**Prepared By:** Tahsha Braning  
**Job Title:** Internal Compliance Officer  
**Phone Number:** 303-271-2526  
**Email:** tbraning@jzscasino.com

<b>DIVISION USE ONLY</b>	
<b>Reviewed by:</b>	<u>Neely</u>
<b>Approved / Denied:</b>	<u>Approved</u>
<b>Variance Number:</b>	<u>713</u>
<b>Approved by:</b>	<u>Neely</u>
<b>Date:</b>	<u>11/15/2019</u>
<b>Variance Expires:</b>	<u>11/15/2020</u>
<b>File Updated By:</b>	<u>LP</u>

<b>Variance Request from ICMP...</b>	
<b>ICMP Section Title:</b>	<u>Surveillance</u>
<b>ICMP Section Number:</b>	<u>13</u>
<b>ICMP Sub-Section Title:</b>	<u>C</u>

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**If the connection between Grand Z Casino and Z Casino fails, and the Grand Z surveillance operator is unable to monitor the failure notification system, Z Casino staff will follow procedures outlined in Variance # 8.**

**Lohse, Jess (GMB)**

---

**From:** no-reply@wsgc.wa.gov on behalf of Washington State Gambling Commission via Washington State Gambling Commission <no-reply@wsgc.wa.gov>  
**Sent:** Friday, January 27, 2023 2:09 PM  
**To:** Rules Coordinator (GMB)  
**Subject:** Request for Public Comment Submission from wsgc.wa.gov

External Email

Submitted on Friday, January 27, 2023 - 2:09pm Submitted by anonymous user: 74.82.229.35 Submitted values are:

Select a Topic: Petition for Rule Change: Centralized surveillance for card rooms

Name: Jerry Howe

Organization: Ellensburg Gaming, Inc.

Comments: We are in favor of centralized surveillance for house banked games. We are a very small (five house banked tables) room and with wages going up dramatically it is difficult for us to cover the cost of manned surveillance. Large rooms can operate with one surveillance officer for fifteen tables yet we have the same one officer monitoring a maximum of five tables and often fewer than five tables. Several small rooms banding together for one centralized surveillance room may be one important step toward saving some of the small rooms. The improvements in technology in recent years should be able to adequately deal with the security issues.

The results of this submission may be viewed at:

<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwsgc.wa.gov%2Fnode%2F19%2Fsubmission%2F3775&data=05%7C01%7Crules.coordinator%40wsgc.wa.gov%7C99e2cef16787401392de08db00b3198c%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C638104541461502407%7CUnknown%7CTWFpbGZsb3d8eyJWljojoiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6Ikk1haWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=rSQdxATUyznDW4apRyK1rkWGtmZsA3LHP4WDkiivMdo%3D&reserved=0>



but when reviewed by staff we found it did not entirely match that language, which is what we brought forward at the hearing. My understanding is there is an amendment in the process to make it mirror RCW 9.46.0341 exactly, except instead of golf it would be shooting sports. **This bill is scheduled for executive action on February 9, 2023.**

3. **[HB 1681.pdf \(wa.gov\)](#)/[SB 5634.pdf \(wa.gov\)](#) Relating to Problem Gambling**

HB 1681/SB 5634 Contains the recommendations of the Problem Gambling Task Force. **Both of these bills are being heard in their respective committees on February 7, 2023.** We are planning to testify as “other” in these hearings, and I will provide a verbal update on this.

4. **[HB 1707.pdf \(wa.gov\)](#) Relating to bingo conducted by bona fide charitable or nonprofit organizations.**

This bill would change from allowing bingo only in the county where the organization is principally located to allowing the organization to operate outside of the county if they are principally located in this state. It has a limitation of no more than 3 licenses.

**This bill is scheduled for a hearing on February 6, 2023, in the House Committee on Regulated Substances and Gaming.** We are planning on testifying as “other” at this hearing, and I will provide a verbal update.

There are several law enforcement bills that have been introduced this session but there are none that I feel you need to possibly act on.

I will verbally update you on anything that happens between now and Thursday!

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**HOUSE BILL 1132**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Representatives Goodman, Rude, Lekanoff, Wylie, and Kloba; by request of Gambling Commission

Prefiled 01/05/23. Read first time 01/09/23. Referred to Committee on Community Safety, Justice, & Reentry.

1 AN ACT Relating to oversight and training requirements for  
2 limited authority Washington peace officers and agencies; amending  
3 RCW 43.101.095, 43.101.276, and 43.101.278; and reenacting and  
4 amending RCW 43.101.010 and 43.101.200.

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

6 **Sec. 1.** RCW 43.101.010 and 2021 c 323 s 1 are each reenacted and  
7 amended to read as follows:

8 When used in this chapter:

9 (1) "Applicant" means an individual who has received a  
10 conditional offer of employment with a law enforcement or corrections  
11 agency.

12 (2) "Chief for a day program" means a program in which  
13 commissioners and staff partner with local, state, and federal law  
14 enforcement agencies, hospitals, and the community to provide a day  
15 of special attention to chronically ill children. Each child is  
16 selected and sponsored by a law enforcement agency. The event, "chief  
17 for a day," occurs on one day, annually or every other year and may  
18 occur on the grounds and in the facilities of the commission. The  
19 program may include any appropriate honoring of the child as a  
20 "chief," such as a certificate swearing them in as a chief, a badge,

1 a uniform, and donated gifts such as games, puzzles, and art  
2 supplies.

3 (3) "Commission" means the Washington state criminal justice  
4 training commission.

5 (4) "Convicted" means at the time a plea of guilty, nolo  
6 contendere, or deferred sentence has been accepted, or a verdict of  
7 guilty or finding of guilt has been filed, notwithstanding the  
8 pendency of any future proceedings, including but not limited to  
9 sentencing, posttrial or postfact-finding motions and appeals.  
10 "Conviction" includes all instances in which a plea of guilty or nolo  
11 contendere is the basis for conviction, all proceedings in which  
12 there is a case disposition agreement, and any equivalent disposition  
13 by a court in a jurisdiction other than the state of Washington.

14 (5) "Correctional personnel" means any employee or volunteer who  
15 by state, county, municipal, or combination thereof, statute has the  
16 responsibility for the confinement, care, management, training,  
17 treatment, education, supervision, or counseling of those individuals  
18 whose civil rights have been limited in some way by legal sanction.

19 (6) "Corrections officer" means any corrections agency employee  
20 whose primary job function is to provide for the custody, safety, and  
21 security of adult persons in jails and detention facilities in the  
22 state. "Corrections officer" does not include individuals employed by  
23 state agencies.

24 (7) "Criminal justice personnel" means any person who serves as a  
25 peace officer, reserve officer, or corrections officer.

26 (8) "Finding" means a determination based on a preponderance of  
27 the evidence whether alleged misconduct occurred; did not occur;  
28 occurred, but was consistent with law and policy; or could neither be  
29 proven or disproven.

30 (9) "Law enforcement personnel" means any person elected,  
31 appointed, or employed as a general authority Washington peace  
32 officer as defined in RCW 10.93.020 or as a limited authority  
33 Washington peace officer as defined in RCW 10.93.020 who as a normal  
34 part of their duties has powers of arrest and carries a firearm.

35 (10) "Peace officer" has the same meaning as a general authority  
36 Washington peace officer as defined in RCW 10.93.020. Commissioned  
37 officers of the Washington state patrol, whether they have been or  
38 may be exempted by rule of the commission from the basic training  
39 requirement of RCW 43.101.200, are included as peace officers for  
40 purposes of this chapter. Fish and wildlife officers with enforcement



1 powers for all criminal laws under RCW 77.15.075 are peace officers  
2 for purposes of this chapter. Limited authority Washington peace  
3 officers as defined in RCW 10.93.020, who have powers of arrest and  
4 carry a firearm as part of their normal duty, are peace officers for  
5 purposes of this chapter.

6 (11) "Reserve officer" means any person who does not serve as a  
7 peace officer of this state on a full-time basis, but who, when  
8 called by an agency into active service, is fully commissioned on the  
9 same basis as full-time officers to enforce the criminal laws of this  
10 state and includes:

11 (a) Specially commissioned Washington peace officers as defined  
12 in RCW 10.93.020;

13 (b) ~~((Limited authority Washington peace officers as defined in~~  
14 ~~RCW 10.93.020;~~

15 ~~(e))~~ Persons employed as security by public institutions of  
16 higher education as defined in RCW 28B.10.016; and

17 ~~((d))~~ (c) Persons employed for the purpose of providing  
18 security in the K-12 Washington state public school system as defined  
19 in RCW 28A.150.010 and who are authorized to use force in fulfilling  
20 their responsibilities.

21 (12) "Tribal police officer" means any person employed and  
22 commissioned by a tribal government to enforce the criminal laws of  
23 that government.

24 **Sec. 2.** RCW 43.101.200 and 2021 c 334 s 977 and 2021 c 323 s 31  
25 are each reenacted and amended to read as follows:

26 (1) ~~((All))~~ Except as provided in subsection (2) of this section,  
27 all law enforcement personnel, except volunteers, and reserve  
28 officers whether paid or unpaid, initially employed on or after  
29 January 1, 1978, shall engage in basic law enforcement training which  
30 complies with standards adopted by the commission pursuant to RCW  
31 43.101.080. For personnel initially employed before January 1, 1990,  
32 such training shall be successfully completed during the first  
33 fifteen months of employment of such personnel unless otherwise  
34 extended or waived by the commission and shall be requisite to the  
35 continuation of such employment. Personnel initially employed on or  
36 after January 1, 1990, shall commence basic training during the first  
37 six months of employment unless the basic training requirement is  
38 otherwise waived or extended by the commission. Successful completion

1 of basic training is requisite to the continuation of employment of  
2 such personnel initially employed on or after January 1, 1990.

3 (2)(a) All law enforcement personnel who are limited authority  
4 Washington peace officers and whose employment commences on or after  
5 July 1, 2023, shall commence basic training during the first 12  
6 months of employment unless the basic training requirement is  
7 otherwise waived or extended by the commission. Successful completion  
8 of basic training is requisite to the continuation of employment of  
9 such personnel initially employed on or after July 1, 2023.

10 (b)(i) The commission shall review the training files of all law  
11 enforcement personnel who are limited authority Washington peace  
12 officers, whose employment commenced prior to July 1, 2023, and who  
13 have not successfully completed training that complies with standards  
14 adopted by the commission, to determine what, if any, supplemental  
15 training is required to appropriately carry out the officers' duties  
16 and responsibilities.

17 (ii) Nothing in this section may be interpreted to require law  
18 enforcement personnel who are limited authority Washington peace  
19 officers, whose employment commenced prior to July 1, 2023, to  
20 complete the basic law enforcement training academy as a condition of  
21 continuing employment as a limited authority Washington peace  
22 officer.

23 (iii) Law enforcement personnel who are limited authority  
24 Washington peace officers are not required to complete the basic law  
25 enforcement academy or an equivalent basic academy upon transferring  
26 to a general authority Washington law enforcement agency or limited  
27 authority Washington law enforcement agency, as defined in RCW  
28 10.93.020, if they have:

29 (A) Been employed as a special agent with the Washington state  
30 gambling commission, been a natural resource investigator with the  
31 department of natural resources, been a liquor enforcement officer  
32 with the liquor and cannabis board, been an investigator with the  
33 office of the insurance commissioner, or been a park ranger with the  
34 Washington state parks and recreation commission, before or after  
35 July 1, 2023; and

36 (B) Received a certificate of successful completion from the  
37 basic law enforcement academy or the basic law enforcement  
38 equivalency academy and thereafter engaged in regular and  
39 commissioned law enforcement employment with an agency listed in

1 (b)(iii)(A) of this subsection without a break or interruption in  
2 excess of 24 months; and

3 (C) Remained current with the in-service training requirements as  
4 adopted by the commission by rule.

5 (3) Except as provided in RCW 43.101.170, the commission shall  
6 provide the aforementioned training and shall have the sole authority  
7 to do so. The commission shall provide necessary facilities,  
8 supplies, materials, and the board and room of noncommuting attendees  
9 for seven days per week, except during the 2017-2019, 2019-2021, and  
10 2021-2023 fiscal biennia when the employing, county, city, or state  
11 law enforcement agency shall reimburse the commission for twenty-five  
12 percent of the cost of training its personnel. Additionally, to the  
13 extent funds are provided for this purpose, the commission shall  
14 reimburse to participating law enforcement agencies with ten or less  
15 full-time commissioned patrol officers the cost of temporary  
16 replacement of each officer who is enrolled in basic law enforcement  
17 training: PROVIDED, That such reimbursement shall include only the  
18 actual cost of temporary replacement not to exceed the total amount  
19 of salary and benefits received by the replaced officer during his or  
20 her training period:

21 PROVIDED FURTHER, That limited authority Washington law  
22 enforcement agencies as defined in RCW 10.93.020 shall reimburse the  
23 commission for the full cost of training their personnel.

24 **Sec. 3.** RCW 43.101.095 and 2021 c 323 s 8 are each amended to  
25 read as follows:

26 (1) As a condition of employment, all Washington peace officers  
27 and corrections officers are required to obtain certification as a  
28 peace officer or corrections officer or exemption therefrom and  
29 maintain certification as required by this chapter and the rules of  
30 the commission.

31 (2)(a) Any applicant who has been offered a conditional offer of  
32 employment as a peace officer or reserve officer ~~((or))~~, offered a  
33 conditional offer of employment as a corrections officer after July  
34 1, 2021, ~~((including any person whose certification has lapsed as a~~  
35 ~~result of a break of more than 24 consecutive months in the officer's~~  
36 ~~service for a reason other than being recalled to military service,))~~  
37 or offered a conditional offer of employment as a limited authority  
38 Washington peace officer who if hired would qualify as a peace  
39 officer as defined by RCW 43.101.010 after July 1, 2023, must submit

1 to a background investigation to determine the applicant's  
2 suitability for employment. This requirement applies to any person  
3 whose certification has lapsed as a result of a break of more than 24  
4 consecutive months in the officer's service for a reason other than  
5 being recalled into military service. Employing agencies may only  
6 make a conditional offer of employment pending completion of the  
7 background check and shall verify in writing to the commission that  
8 they have complied with all background check requirements prior to  
9 making any nonconditional offer of employment.

10 (b) The background check must include:

11 (i) A check of criminal history, any national decertification  
12 index, commission records, and all disciplinary records by any  
13 previous law enforcement or correctional employer, including  
14 complaints or investigations of misconduct and the reason for  
15 separation from employment. Law enforcement or correctional agencies  
16 that previously employed the applicant shall disclose employment  
17 information within 30 days of receiving a written request from the  
18 employing agency conducting the background investigation, including  
19 the reason for the officer's separation from the agency. Complaints  
20 or investigations of misconduct must be disclosed regardless of the  
21 result of the investigation or whether the complaint was unfounded;

22 (ii) Inquiry to the local prosecuting authority in any  
23 jurisdiction in which the applicant has served as to whether the  
24 applicant is on any potential impeachment disclosure list;

25 (iii) Inquiry into whether the applicant has any past or present  
26 affiliations with extremist organizations, as defined by the  
27 commission;

28 (iv) A review of the applicant's social media accounts;

29 (v) Verification of immigrant or citizenship status as either a  
30 citizen of the United States of America or a lawful permanent  
31 resident;

32 (vi) A psychological examination administered by a psychiatrist  
33 licensed in the state of Washington pursuant to chapter 18.71 RCW or  
34 a psychologist licensed in the state of Washington pursuant to  
35 chapter 18.83 RCW, in compliance with standards established in rules  
36 of the commission;

37 (vii) A polygraph or similar assessment administered by an  
38 experienced professional with appropriate training and in compliance  
39 with standards established in rules of the commission; and

1 (viii) Except as otherwise provided in this section, any test or  
2 assessment to be administered as part of the background investigation  
3 shall be administered in compliance with standards established in  
4 rules of the commission.

5 (c) The commission may establish standards for the background  
6 check requirements in this section and any other preemployment  
7 background check requirement that may be imposed by an employing  
8 agency or the commission.

9 (d) The employing law enforcement agency may require that each  
10 person who is required to take a psychological examination and a  
11 polygraph or similar test pay a portion of the testing fee based on  
12 the actual cost of the test or \$400, whichever is less. Employing  
13 agencies may establish a payment plan if they determine that the  
14 person does not readily have the means to pay the testing fee.

15 (3) (a) The commission shall allow a peace officer or corrections  
16 officer to retain status as a certified peace officer or corrections  
17 officer as long as the officer: ~~((a))~~ (i) Timely meets the basic  
18 training requirements, or is exempted therefrom, in whole or in part,  
19 under RCW 43.101.200 or under rule of the commission; ~~((b))~~ (ii)  
20 timely meets or is exempted from any other requirements under this  
21 chapter as administered under the rules adopted by the commission;  
22 ~~((c))~~ (iii) is not denied certification by the commission under  
23 this chapter; and ~~((d))~~ (iv) has not had certification suspended or  
24 revoked by the commission.

25 (b) The commission shall certify peace officers who are limited  
26 authority Washington peace officers employed on or before July 1,  
27 2023. Thereafter, the commission may revoke certification pursuant to  
28 this chapter.

29 (4) As a condition of certification, a peace officer or  
30 corrections officer must, on a form devised or adopted by the  
31 commission, authorize the release to the employing agency and  
32 commission of the officer's personnel files, including disciplinary,  
33 termination, civil or criminal investigation, or other records or  
34 information that are directly related to a certification matter or  
35 decertification matter before the commission. The peace officer or  
36 corrections officer must also consent to and facilitate a review of  
37 the officer's social media accounts, however, consistent with RCW  
38 49.44.200, the officer is not required to provide login information.  
39 The release of information may not be delayed, limited, or precluded

1 by any agreement or contract between the officer, or the officer's  
2 union, and the entity responsible for the records or information.

3 (5) The employing agency and commission are authorized to receive  
4 criminal history record information that includes nonconviction data  
5 for any purpose associated with employment or certification under  
6 this chapter. Dissemination or use of nonconviction data for purposes  
7 other than that authorized in this section is prohibited.

8 (6) For a national criminal history records check, the commission  
9 shall require fingerprints be submitted and searched through the  
10 Washington state patrol identification and criminal history section.  
11 The Washington state patrol shall forward the fingerprints to the  
12 federal bureau of investigation.

13 (7) Prior to certification, the employing agency shall certify to  
14 the commission that the agency has completed the background check, no  
15 information has been found that would disqualify the applicant from  
16 certification, and the applicant is suitable for employment as a  
17 peace officer or corrections officer.

18 **Sec. 4.** RCW 43.101.276 and 2017 c 290 s 5 are each amended to  
19 read as follows:

20 (1) Subject to the availability of amounts appropriated for this  
21 specific purpose, the commission shall develop training on a victim-  
22 centered, trauma-informed approach to interacting with victims and  
23 responding to sexual assault calls. The curriculum must: Be designed  
24 for commissioned patrol officers not regularly assigned to  
25 investigate sexual assault cases; be designed for deployment and use  
26 within individual law enforcement agencies; include features allowing  
27 for it to be used in different environments, which may include  
28 multimedia or video components; allow for law enforcement agencies to  
29 host it in small segments at different times over several days or  
30 weeks, including roll calls. The training must include components on  
31 available resources for victims including, but not limited to,  
32 material on and references to community-based victim advocates.

33 (2) In developing the training, the commission shall seek advice  
34 from the Washington association of sheriffs and police chiefs, the  
35 Washington coalition of sexual assault programs, and experts on  
36 sexual assault and the neurobiology of trauma.

37 (3) Beginning in 2018, all law enforcement agencies shall  
38 annually host the training for commissioned peace officers. All law

1 enforcement agencies shall, to the extent feasible, consult with and  
2 feature local community-based victim advocates during the training.

3 (4) With the exception of the state parks and recreation  
4 commission, the training requirements under this section do not apply  
5 to limited authority Washington law enforcement agencies as defined  
6 in RCW 10.93.020 whose authority does not include the investigation  
7 of sexual assaults.

8 **Sec. 5.** RCW 43.101.278 and 2021 c 118 s 3 are each amended to  
9 read as follows:

10 (1) Subject to the availability of amounts appropriated for this  
11 specific purpose, the commission shall conduct an annual case review  
12 program. The program must review case files from law enforcement  
13 agencies and prosecuting attorneys selected by the commission in  
14 order to identify changes to training and investigatory practices  
15 necessary to optimize outcomes in sexual assault investigations and  
16 prosecutions involving adult victims. The program must include:

17 (a) An evaluation of whether current training and practices  
18 foster a trauma-informed, victim-centered approach to victim  
19 interviews and that identifies best practices and current gaps in  
20 training and assesses the integration of the community resiliency  
21 model;

22 (b) A comparison of cases involving investigators and  
23 interviewers who have participated in training to cases involving  
24 investigators and interviewers who have not participated in training;

25 (c) Randomly selected cases for a systematic review to assess  
26 whether current practices conform to national best practices for a  
27 multidisciplinary approach to investigating sexual assault cases and  
28 interacting with survivors; and

29 (d) An analysis of the impact that race and ethnicity have on  
30 sexual assault case outcomes.

31 (2) The case review program may review and access files,  
32 including all reports and recordings, pertaining to closed cases  
33 involving allegations of adult sexual assault only. Any law  
34 enforcement agency or prosecuting attorney selected for the program  
35 by the commission shall make requested case files and other documents  
36 available to the commission, provided that the case files are not  
37 linked to ongoing, open investigations and that redactions may be  
38 made where appropriate and necessary. Agencies and prosecuting  
39 attorneys shall include available information on the race and

1 ethnicity of all sexual assault victims in the relevant case files  
2 provided to the commission. Case files and other documents must be  
3 made available to the commission according to appropriate deadlines  
4 established by the commission in consultation with the agency or  
5 prosecuting attorney.

6 (3) If a law enforcement agency has not participated in the  
7 training under RCW 43.101.272 by July 1, 2022, the commission may  
8 prioritize the agency for selection to participate in the program  
9 under this section.

10 (4) In designing and conducting the program, the commission shall  
11 consult and collaborate with experts in trauma-informed and victim-  
12 centered training, experts in sexual assault investigations and  
13 prosecutions, victim advocates, and other stakeholders identified by  
14 the commission. The commission may form a multidisciplinary working  
15 group for the purpose of carrying out the requirements of this  
16 section.

17 (5) The program participation requirements under this section do  
18 not apply to limited authority Washington law enforcement agencies as  
19 defined in RCW 10.93.020 whose authority does not include the  
20 investigation of sexual assaults.

21 (6) The commission shall submit a report with a summary of its  
22 work to the governor and the appropriate committees of the  
23 legislature by December 1st of each year.

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HOUSE BILL 1630

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State of Washington

68th Legislature

2023 Regular Session

By Representatives Walen and Springer

Read first time 01/26/23. Referred to Committee on Regulated Substances & Gaming.

1 AN ACT Relating to authorizing sports wagering at cardrooms and  
2 racetracks; amending RCW 9.46.0335, 9.46.153, 9.46.155, 9.46.210,  
3 9.46.240, 67.04.010, 67.04.020, 67.04.030, 67.04.040, 67.04.050,  
4 67.04.060, 67.04.070, and 67.04.080; adding a new section to chapter  
5 82.04 RCW; adding a new section to chapter 67.04 RCW; adding a new  
6 chapter to Title 9 RCW; recodifying RCW 67.24.010; decodifying RCW  
7 67.24.020; and prescribing penalties.

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

9 NEW SECTION. **Sec. 1.** Before sports wagering may be conducted  
10 under this chapter by a cardroom or racetrack, the commission must  
11 analyze the impacts of legalized sports wagering on problem gambling,  
12 evaluate ways to mitigate impacts to problem gambling, and adopt  
13 rules implementing this chapter including provisions to mitigate  
14 impacts to problem gambling from sports wagering authorized by this  
15 chapter.

16 NEW SECTION. **Sec. 2.** The definitions in this section apply  
17 throughout this chapter unless the context clearly requires  
18 otherwise.

19 (1) "Cardroom" means a business licensed to conduct social card  
20 games pursuant to RCW 9.46.0325 as of December 1, 2022.

1 (2) "Collegiate sport or athletic event" has the same meaning as  
2 in RCW 9.46.038.

3 (3) "Commission" means the Washington state gambling commission  
4 created in RCW 9.46.040.

5 (4) "Fantasy sports activity" means any fantasy or simulated  
6 activity or contest with an entry fee in which a participant owns or  
7 manages an imaginary team and competes against other participants or  
8 a target score for a predetermined prize with the outcome reflecting  
9 the relative skill of the participants and determined by statistics  
10 generated based on performance by actual individuals participating in  
11 actual competitions or athletic events, provided that the outcome  
12 must not be based solely on the performance of an individual athlete,  
13 or on the score, point spread, or any performance of any single real  
14 team or combination of real teams. "Fantasy sports activity" does not  
15 include any activity in which no entry fee is paid to the fantasy  
16 sports operator or in which a prize is not collected, managed, or  
17 awarded by the operator.

18 (5) "Internet sports pool operator" means an entity that is  
19 licensed as a casino service industry enterprise and that holds a  
20 license issued by the commission to operate an online sports pool.

21 (6) "Online sports pool" means a sports wagering operation in  
22 which wagers on sports events are made through computers or mobile or  
23 interactive devices and accepted at a sports wagering lounge through  
24 an online gaming system that is operating pursuant to a sports  
25 wagering license issued by the commission.

26 (7) "Operator" means a sport wagering licensee that has elected  
27 to operate a sports pool, either independently or jointly, and any  
28 entity with whom a sport wagering licensee contracts to operate a  
29 sports pool or online sports pool, including an internet sports pool  
30 operator, on its behalf.

31 (8) "Professional sport or athletic event" has the same meaning  
32 as in RCW 9.46.038.

33 (9)(a) "Prohibited sports event" means any collegiate sport or  
34 athletic event that takes place in this state or a sport or athletic  
35 event in which any Washington state college team participates  
36 regardless of where the event takes place. "Prohibited sports event"  
37 includes all high school sports events, electronic sports, and  
38 competitive video games, but does not include international sports  
39 events in which persons under age 18 make up a minority of the  
40 participants.

1 (b) "Prohibited sports event" does not include the other games of  
2 a collegiate sport or athletic tournament in which a Washington state  
3 college team participates, nor does it include any games of a  
4 collegiate tournament that occurs outside Washington state, even  
5 though some of the individual games or events are held in Washington.

6 (10) "Racetrack" means a business licensed to conduct horse race  
7 meets under a license issued by the Washington horse racing  
8 commission pursuant to chapter 67.16 RCW as of December 1, 2022.

9 (11) "Sports event" means any professional sport or athletic  
10 event, any Olympic or international sports competition event, or any  
11 collegiate sport or athletic event, or any portion thereof,  
12 including, but not limited to, the individual performance statistics  
13 of athletes in a sports event or combination of sports events.  
14 "Sports event" does not include a prohibited sports event or a  
15 fantasy sports activity.

16 (12) "Sports pool" means the business of accepting wagers on any  
17 sports event by any system or method of wagering including, but not  
18 limited to, single-game bets, teaser bets, parlays, over/under, money  
19 line, pools, exchange wagering, in-game wagering, in-play bets,  
20 proposition bets, or straight bets.

21 (13) "Sports wagering lounge" means an area wherein an authorized  
22 sports pool is operated at a cardroom or racetrack facility.

23 NEW SECTION. **Sec. 3.** (1) The legislature authorizes sports  
24 wagering through sports pools and online sports pools by a cardroom  
25 or racetrack as provided in this chapter. This chapter does not apply  
26 to sports wagering authorized pursuant to RCW 9.46.0364.

27 (2) Sports wagering conducted pursuant to the provisions of this  
28 chapter does not constitute bookmaking and is not subject to civil or  
29 criminal penalties.

30 (3) The commission has the power to issue all sports wagering  
31 licenses and renewals to cardrooms and racetracks. The commission  
32 must hear and promptly decide all applications for a sports wagering  
33 license.

34 (4) The license to operate a sports pool is in addition to any  
35 other license required to be issued pursuant to chapters 9.46 and  
36 67.16 RCW.

37 (5) A sports wagering licensee may operate a sports pool in  
38 accordance with the provisions of this chapter.

1 (6) A sports wagering licensee may enter into an agreement to  
2 jointly operate a sports pool at a racetrack in accordance with the  
3 provisions of this chapter.

4 (7) A sports wagering licensee may conduct an online sports pool  
5 or may authorize an internet sports pool operator licensed as a  
6 casino service industry enterprise to operate an online sports pool  
7 on its behalf, provided the terms of the agreement are approved by  
8 the commission.

9 (8) The powers and duties of the commission specified in chapter  
10 9.46 RCW and other provisions with respect to licensees apply to the  
11 extent not inconsistent with the provisions of this chapter.

12 (9) The commission has the authority to charge a cardroom and a  
13 racetrack a fee for the issuance of a sports wagering license in an  
14 amount of \$100,000 for the initial issuance and, in the case of a  
15 renewal, a reasonable fee adopted by rule that is based upon the  
16 expense associated with renewal, enforcement, and programs for the  
17 prevention and treatment of problem gambling.

18 (10) No sports wagering license may be issued by the commission  
19 to any person or entity unless it has established its financial  
20 stability, integrity, responsibility, good character, and honesty.

21 (11) No license to operate a sports pool may be issued to any  
22 person or entity that is disqualified for a license under chapter  
23 9.46 or 67.16 RCW.

24 (12) A licensee must submit to the commission, no later than five  
25 years after the date of the issuance of a license and every five  
26 years thereafter, or within such lesser periods as the commission may  
27 direct, documentation or information as the commission may, by rule,  
28 require to demonstrate to the satisfaction of the commission that the  
29 licensee continues to meet the requirements of this chapter.

30 (13) The commission, following consultation with the sports  
31 wagering licensees, must annually provide a report to the governor  
32 and the appropriate committees of the legislature on the impact of  
33 sports wagering, including internet wagering on sports events, on  
34 problem gamblers and gambling addiction in the state. The report must  
35 be prepared by a private organization or entity with expertise in  
36 serving the needs of persons with gambling addictions, as selected by  
37 the commission. The report must be distributed by the commission. Any  
38 costs associated with the preparation and distribution of the report  
39 will be borne by the licensees who have been authorized by the  
40 commission to conduct internet gaming, and the commission is

1 authorized to assess a fee against the licensees for these purposes.  
2 The commission may also periodically report to the governor and the  
3 appropriate committees of the legislature on the effectiveness of the  
4 statutory and regulatory controls in place to ensure the integrity of  
5 gaming operations through the internet.

6 NEW SECTION. **Sec. 4.** (1) Each sports wagering licensee may  
7 provide no more than one branded sports wagering website, which may  
8 have an accompanying mobile application bearing the same brand as the  
9 website for an online sports pool. Any sports wagering website and  
10 mobile application must only allow wagering at that cardroom or  
11 racetrack facility. The transmission of gambling information over the  
12 internet for any sports wagering conducted and operated under this  
13 chapter is authorized, provided that the wager may be placed and  
14 accepted at a cardroom or racetrack's facility only while the  
15 customer placing the wager is physically present on the premises of  
16 that cardroom or racetrack facility.

17 (2) No online sports pool may be opened to the public, and no  
18 sports wagering, except for test purposes, may be conducted until an  
19 internet sports pool operator receives a sport wagering license or  
20 pursuant to the terms of a compact.

21 (3) Sports wagering licensees and operators may provide  
22 promotional credits, incentives, bonuses, complimentaries, or similar  
23 benefits designed to induce sports betters to wager.

24 (4) The server or other equipment used by a sports wagering  
25 licensee to accept wagers at a sports pool or online sports pool must  
26 be located in that cardroom or racetrack facility.

27 (5) A sports pool must be operated in a sports wagering lounge  
28 located at the cardroom or racetrack facility. A sports wagering  
29 lounge may be located at a casino simulcasting facility. The sports  
30 wagering lounge must conform to all requirements concerning square  
31 footage, design, equipment, security measures, and related matters  
32 which the commission may prescribe. The space required for the  
33 establishment of a sports wagering lounge must not reduce the space  
34 authorized for other gambling activities pursuant to other laws or  
35 rules.

36 (6) A sports wagering licensee may not operate a sports pool or  
37 accept wagers via an online sports pool unless a sports wagering  
38 lounge is established and has commenced operation in its facility;  
39 provided, however, that a sports wagering licensee may petition the

1 commission to commence operation of the sports pool at either a  
2 temporary facility or an online sports pool, or both, during the  
3 pendency of construction of a sports wagering lounge in its facility.  
4 The temporary facilities may include, at the discretion of the  
5 commission, the use of designated windows at the current casino cage  
6 or racetrack betting window for purposes of placing sports betting  
7 wagers and self-service wagering machines located at the facility. In  
8 accordance with subsection (1) of this section, nothing in this  
9 section authorizes the placement or acceptance of a wager unless the  
10 customer placing the wager is physically present on the premises of  
11 the cardroom or racetrack facility.

12 (7) The operator must establish or display the odds at which  
13 wagers may be placed on sports events.

14 (8) An operator may accept wagers on sports events only: (a) From  
15 persons physically present in the sports wagering lounge; (b) through  
16 self-service wagering machines located in its facility as authorized  
17 by the commission; or (c) through an online sports pool if the  
18 customer placing the wager through the online sports pool is  
19 physically present on the premises of the cardroom or racetrack  
20 facility.

21 (9) A person placing a wager on a sports event must be at least  
22 18 years of age.

23 NEW SECTION. **Sec. 5.** (1) A sports pool or online sports pool  
24 may not be offered or made available for wagering to the public by  
25 any entity other than a sports wagering licensee operating such pool  
26 on behalf of a licensee, or an internet sports pool operator on  
27 behalf of a sports wagering licensee.

28 (2) Any person who offers a sports pool or an online sports pool  
29 without a license or pursuant to a compact is guilty of a class B  
30 felony and is subject to a fine of not more than \$25,000, and, in the  
31 case of a person other than a natural person, a fine of not more than  
32 \$100,000.

33 NEW SECTION. **Sec. 6.** (1) (a) Any person who: (i) Is an athlete,  
34 coach, referee, or director of a sports governing body or any of its  
35 member team; (ii) is a sports governing body or any of its member  
36 teams; (iii) is a player or a referee personnel member in or on any  
37 sports event overseen by that person's sports governing body based on  
38 publicly available information; (iv) holds a position of authority or

1 influence sufficient to exert influence over the participants in a  
2 sporting contest including, but not limited to, coaches, managers,  
3 handlers, athletic trainers, or horse trainers; (v) has access to  
4 certain types of exclusive information on any sports event overseen  
5 by that person's sports governing body based on publicly available  
6 information; or (vi) is identified by any lists provided by the  
7 sports governing body to the commission may not have any ownership  
8 interest in, control of, or otherwise be employed by, an operator, a  
9 sports wagering licensee, or a facility in which a sports wagering  
10 lounge is located, or place a wager on a sports event that is  
11 overseen by that person's sports governing body based on publicly  
12 available information. Any person who violates this subsection is  
13 guilty of a misdemeanor and must, upon conviction, be punished by  
14 either imprisonment in the county jail for a maximum term fixed by  
15 the court of not more than 90 days or a fine in an amount fixed by  
16 the court of not more than \$1,000, or both.

17 (b) Any employee of a sports governing body or its member teams  
18 who is not prohibited from wagering on a sports event must provide  
19 notice to the commission prior to placing a wager on a sports event.

20 (c) The direct or indirect legal or beneficial owner of 10  
21 percent or more of a sports governing body or any of its member teams  
22 may not place or accept any wager on a sports event in which any  
23 member team of that sports governing body participates.

24 (2) The prohibition set forth in subsection (1) of this section  
25 does not apply to any person who is a direct or indirect owner of a  
26 specific sports governing body member team, and (a) the person has  
27 less than 10 percent direct or indirect ownership interest in a  
28 casino or racetrack, or (b) the shares of such person are registered  
29 pursuant to section 12 of the securities exchange act of 1934 (15  
30 U.S.C. Sec. 781), as amended, and the value of the ownership of such  
31 team represents less than one percent of the person's total  
32 enterprise value.

33 (3) An operator must adopt procedures to prevent persons who are  
34 prohibited from placing sports wagers from wagering on sports events.

35 (4) An operator may not accept wagers from any person whose  
36 identity is known to the operator and:

37 (a) Whose name appears on any self-exclusion programs list  
38 provided under RCW 9.46.071;

1 (b) Who is the operator, director, officer, owner, or employee of  
2 the operator or any relative thereof living in the same household as  
3 the operator;

4 (c) Who has access to nonpublic confidential information held by  
5 the operator; or

6 (d) Who is an agent or proxy for any other person.

7 (5) An operator must adopt procedures to obtain personally  
8 identifiable information from any individual who places any single  
9 wager in an amount of \$10,000 or greater on a sports event while  
10 physically present in a cardroom or racetrack facility.

11 NEW SECTION. **Sec. 7.** The sports wagering licensee may contract  
12 with an entity to conduct the operation in accordance with the rules  
13 adopted by the commission. That entity must obtain a license as a  
14 casino service industry enterprise, in accordance with the rules  
15 adopted by the commission, prior to the execution of any contract.

16 NEW SECTION. **Sec. 8.** (1) An operator must promptly report to  
17 the commission:

18 (a) (i) Any criminal or disciplinary proceedings commenced against  
19 the operator or its employees in connection with the operations of  
20 the sports pool or online sports pool; (ii) any abnormal betting  
21 activity or patterns that may indicate a concern about the integrity  
22 of a sports event or events; (iii) any other conduct with the  
23 potential to corrupt a betting outcome of a sports event for purposes  
24 of financial gain including, but not limited to, match fixing; and

25 (b) Suspicious or illegal wagering activities, including the use  
26 of funds derived from illegal activity, wagers to conceal or launder  
27 funds derived from illegal activity, the use of agents to place  
28 wagers, or the use of false identification.

29 (2) The commission is authorized to share any information under  
30 this section with any law enforcement entity, team, sports governing  
31 body, or regulatory agency the commission deems appropriate.

32 NEW SECTION. **Sec. 9.** An operator must maintain records of  
33 sports wagering operations as specified by the commission.

34 NEW SECTION. **Sec. 10.** (1) A sports wagering licensee may, in  
35 addition to having a sports wagering lounge, conduct wagering on  
36 authorized sports events through one or more kiosks or self-service



1 wagering stations located within its facility. The self-service  
2 wagering stations may offer games authorized by the commission.

3 (2) (a) Subject to (b) of this subsection, all wagers on sports  
4 events authorized under this chapter must be initiated, received, and  
5 otherwise made within this state unless otherwise determined by the  
6 commission in accordance with applicable federal and state laws.  
7 Consistent with the intent of the United States congress as  
8 articulated in the unlawful internet gambling enforcement act of  
9 2006, 31 U.S.C. Sec. 5361 et seq., the intermediate routing of  
10 electronic data relating to a lawful intrastate wager authorized  
11 under this chapter does not determine the location or locations in  
12 which such wager is initiated, received, or otherwise made.

13 (b) In accordance with section 4(1) of this act, nothing in this  
14 section authorizes the placement, initiation, receipt, or making of a  
15 wager unless the customer placing the wager is physically present on  
16 the premises of the cardroom or racetrack facility. The commission is  
17 prohibited from modifying this requirement.

18 NEW SECTION. **Sec. 11.** (1) Applicants for, and holders of, a  
19 sports wagering license must be required to disclose the identity of  
20 the following: (a) Each board-appointed officer of the applicant or  
21 holder; (b) each director of the applicant or holder; (c) each person  
22 who directly holds any voting or controlling interest of five percent  
23 or more of the securities issued by such applicant or holder; (d)  
24 each person who directly holds any nonvoting or passive ownership  
25 interest of 25 percent or more of the securities issued by such  
26 applicant or holder; and (e) each holding or intermediary company of  
27 an applicant for, or holder of, an operator.

28 (2) As to each holding, intermediary, and subsidiary company or  
29 entity of an applicant for, or holder of, a sports wagering license,  
30 applicants and holders are required to establish and maintain the  
31 qualifications of the following: (a) Each board-appointed officer of  
32 the entity; (b) each director of the company or entity; (c) each  
33 person who directly holds any voting or controlling interest of five  
34 percent or more of the securities issued by such applicant or holder;  
35 and (d) each person who directly holds any nonvoting or passive  
36 ownership interest of 25 percent or more in the holding or  
37 intermediary company.

1        NEW SECTION.    **Sec. 12.**    (1) All persons employed directly in  
2    wagering-related activities conducted in a sports wagering lounge and  
3    an online sports pool must be licensed as a sports wagering key  
4    employee or registered as a sports wagering employee.

5        (2) All other employees who are working in the sports wagering  
6    lounge may be required to be registered by the commission.

7        (3) Each operator must designate one or more sports wagering key  
8    employees who are responsible for the operation of the sports pool.  
9    At least one sports wagering key employee must be on the premises  
10   whenever sports wagering is conducted.

11       NEW SECTION.    **Sec. 13.**    (1) Except as otherwise provided by this  
12   chapter, the commission has the authority to regulate sports pools,  
13   online sports pools, and the conduct of sports wagering under this  
14   chapter.

15       (2) No cardroom or racetrack may be authorized to operate a  
16   sports pool or online sports pool unless it has produced, to the  
17   satisfaction of the commission, information, documentation, and  
18   assurances concerning its financial background and resources,  
19   including cash reserves, that are sufficient to demonstrate that it  
20   has the financial stability, integrity, and responsibility to operate  
21   a sports pool or online sports pool.

22       (3) In developing and adopting rules applicable to sports  
23   wagering, the commission may examine the regulations implemented in  
24   other states where sports wagering is conducted and may, as far as  
25   practicable, adopt a similar regulatory framework. The commission  
26   will adopt rules necessary to carry out the provisions of this  
27   chapter, including regulations governing the:

28       (a) Amount of cash reserves to be maintained by operators to  
29   cover winning wagers;

30       (b) Acceptance of wagers on a series of sports events;

31       (c) Maximum wagers which may be accepted by an operator from any  
32   one patron on any one sports event;

33       (d) Type of wagering tickets which may be used;

34       (e) Method of issuing tickets;

35       (f) Method of accounting to be used by operators;

36       (g) Types of records which must be kept;

37       (h) Use of credit and checks by patrons;

38       (i) Type of system for wagering;

39       (j) Protections for a person placing a wager; and

1 (k) Display of the words "If you or someone you know has a  
2 gambling problem and wants help, call 1-800 GAMBLER," or some  
3 comparable language approved by the commission, which language must  
4 include the words "gambling problem" and "call 1-800 GAMBLER" in all  
5 print, billboard, sign, online, or broadcast advertisements of a  
6 sports pool, online sports pool, and sports wagering lounge.

7 NEW SECTION. **Sec. 14.** (1) Each operator must adopt  
8 comprehensive house rules governing sports wagering transactions with  
9 its patrons that must be approved by the commission.

10 (2) The rules must specify the amounts to be paid on winning  
11 wagers and the effect of schedule changes.

12 (3) The house rules, together with any other information the  
13 commission deems appropriate, must be conspicuously displayed in the  
14 sports wagering lounge, posted on the operator's internet website,  
15 and included in the terms and conditions of the account wagering  
16 system, and copies must be made readily available to patrons.

17 NEW SECTION. **Sec. 15.** Whenever a sports wagering licensee or  
18 two licensees enter into an agreement to jointly establish a sports  
19 wagering lounge, and to operate and conduct sports wagering under  
20 this chapter, the agreement must specify the distribution of revenues  
21 from the joint sports wagering operation among the parties to the  
22 agreement.

23 NEW SECTION. **Sec. 16.** (1) There is levied, and collected from  
24 every sports wagering licensee in this state, a tax in the amount of  
25 10 percent of the gaming revenue.

26 (2) Gaming revenue from sports wagering must be sourced to the  
27 location where the bet is placed.

28 (3) Sports wagering licensees subject to the tax imposed by this  
29 chapter must report to the department of revenue the amount of gaming  
30 revenue earned by location, and identifying the amount of gaming  
31 revenue received from wagers or bets placed.

32 (4) The tax imposed by this chapter must be paid to, and  
33 administered by, the department of revenue. The administration of the  
34 tax is governed by the provisions of chapter 82.32 RCW.

35 (5) For purposes of this section, "gaming revenue" means the  
36 total amount wagered less winnings paid out.

1        NEW SECTION.    **Sec. 17.**    If a patron does not claim a winning  
2 sports pool wager within one year from the time of the event, the  
3 obligation of the operator to pay the winnings expires and the  
4 operator will retain 50 percent of the winnings and remit the  
5 remaining 50 percent of the winnings to the problem gambling account  
6 created in RCW 41.05.751. If the sports pool is jointly operated, the  
7 operator must apportion the 50 percent of the winnings pursuant to  
8 the terms of the parties' operation agreement.

9        NEW SECTION.    **Sec. 18.**    Wagers may be pooled with wagers from  
10 persons who are not physically present in this state if the  
11 commission determines that such wagering is not inconsistent with  
12 federal law or the law of the jurisdiction, including any foreign  
13 nation, in which any such person is located, or such wagering is  
14 conducted pursuant to a reciprocal agreement to which the state is a  
15 party that is not inconsistent with federal law.

16        NEW SECTION.    **Sec. 19.**    Sports wagering lounges at which a sports  
17 pool is operated are a permitted use in all commercial, retail,  
18 industrial, nonresidential, and mixed-use zoning districts of a  
19 municipality.

20        **Sec. 20.**    RCW 9.46.0335 and 1987 c 4 s 31 are each amended to  
21 read as follows:

22        (1)    The legislature ((hereby)) authorizes any person,  
23 association, or organization to ((conduct sports pools without a  
24 license to do so from the commission but only when the outcome of  
25 which is dependent upon the score, or scores, of a certain athletic  
26 contest and which is conducted only)) conduct sports boards in the  
27 following manner:

28        ((~~(1) A board or piece of paper is divided into one hundred equal~~  
29 ~~squares, each of which constitutes a chance to win in the sports pool~~  
30 ~~and each of which is offered directly to prospective contestants at~~  
31 ~~one dollar or less;~~

32        ~~(2))~~ (a) The purchaser of each chance or square signs his or her  
33 name on the face of each square or chance he or she purchases; ((and

34        ~~(3))~~ (b) At some time not later than prior to the start of the  
35 subject athletic contest, the ((pool)) sports board is closed and no  
36 further chances in the ((pool)) sports board are sold;

1 ((4)) (c) After the ((pool)) sports board is closed, a  
2 prospective score is assigned by random drawing to each square;

3 ((5)) (d) All money paid by entrants to enter the ((pool))  
4 sports board less taxes is paid out as the prize or prizes to those  
5 persons holding squares assigned the winning score or scores from the  
6 subject athletic contest;

7 ((6)) (e) The sports ((pool)) board is available for inspection  
8 by any person purchasing a chance thereon, the commission, or by any  
9 law enforcement agency upon demand at all times prior to the payment  
10 of the prize;

11 ((7)) (f) The person or organization conducting the ((pool))  
12 sports board is conducting no ((either)) more than two sports ((pool))  
13 boards on the same athletic event; and

14 ((8) The sports pool conforms)) (g) Sports boards must conform  
15 to any rules and regulations of the commission ((applicable  
16 thereto)), including maximum wager limits set by the commission.

17 (2) For purposes of this section, "sports board" means a board or  
18 piece of paper that is divided into 100 equal squares, each of which  
19 constitutes a chance to win in the sports pool and each of which is  
20 offered directly to prospective contestants.

21 **Sec. 21.** RCW 9.46.153 and 1981 c 139 s 14 are each amended to  
22 read as follows:

23 (1) It shall be the affirmative responsibility of each applicant  
24 and licensee to establish by clear and convincing evidence the  
25 necessary qualifications for licensure of each person required to be  
26 qualified under this chapter, as well as the qualifications of the  
27 facility in which the licensed activity will be conducted;

28 (2) All applicants and licensees shall consent to inspections,  
29 searches and seizures, and the supplying of handwriting examples as  
30 authorized by this chapter and rules adopted hereunder;

31 (3) All licensees, and persons having any interest in licensees,  
32 including, but not limited to, employees and agents of licensees, and  
33 other persons required to be qualified under this chapter or rules of  
34 the commission shall have a duty to inform the commission or its  
35 staff of any action or omission which they believe would constitute a  
36 violation of this chapter or rules adopted pursuant thereto, or a  
37 violation of state or federal law. No person who so informs the  
38 commission or the staff shall be discriminated against by an  
39 applicant or licensee because of the supplying of such information;

1 (4) All applicants, licensees, persons who are operators or  
2 directors thereof, and persons who otherwise have a substantial  
3 interest therein shall have the continuing duty to provide any  
4 assistance or information required or requested by the commission and  
5 to investigations conducted by the commission. If, upon issuance of a  
6 formal request to answer or produce information, evidence, or  
7 testimony, any applicant, licensee or officer or director thereof, or  
8 person with a substantial interest therein, refuses to comply, the  
9 applicant or licensee may be denied or revoked by the commission;

10 (5) All applicants and licensees shall waive any and all  
11 liability as to the state of Washington, its agencies, employees, and  
12 agents for any damages resulting from any disclosure or publication  
13 in any manner, other than a (~~wilfully~~) willfully unlawful  
14 disclosure or publication, of any information acquired by the  
15 commission during its licensing (~~of~~), other investigations (~~of~~),  
16 inquiries, or hearings;

17 (6) Each applicant or licensee may be photographed for  
18 investigative and identification purposes in accordance with the  
19 rules of the commission;

20 (7) An application to receive a license under this chapter or  
21 rules adopted pursuant thereto constitutes a request for a  
22 determination of the applicant's, and those person's with an interest  
23 in the applicant, general character, integrity, and ability to engage  
24 or participate in, or be associated with, gambling or related  
25 activities impacting this state. Any written or oral statement made  
26 in the course of an official investigation, proceeding, or process of  
27 the commission by any member, employee, or agent thereof, or by any  
28 witness, testifying under oath, which is relevant to the  
29 investigation, proceeding, or process, is absolutely privileged and  
30 shall not impose any liability for slander, libel, or defamation, or  
31 constitute any grounds for recovery in any civil action.

32 **Sec. 22.** RCW 9.46.155 and 2003 c 53 s 34 are each amended to  
33 read as follows:

34 (1) No (~~applicant or licensee~~) person shall give or provide, or  
35 offer to give or provide, directly or indirectly, to any public  
36 official (~~of~~), employee, or agent of this state, or any of its  
37 agencies or political subdivisions, any compensation or reward, or  
38 share of the money or property paid or received through gambling  
39 activities, in consideration for obtaining any license,

1 authorization, permission, or privilege to participate in any gaming  
2 operations except as authorized by this chapter or rules adopted  
3 pursuant thereto.

4 (2) ~~((Violation))~~ No person shall give or provide, or attempt to  
5 give or provide, directly or indirectly, any compensation, reward, or  
6 thing of value to a sporting event participant, including an athlete,  
7 coach, referee, official, medical staff, team, school, league  
8 official or employee, or anyone else having actual or potential  
9 influence over a sporting event, to influence or require the sporting  
10 event participant to manipulate a game or contest as prohibited in  
11 chapter 67.04 RCW, or provide confidential or insider information  
12 with the intent to use the information to gain an advantage in a  
13 gambling activity.

14 (3) Unless otherwise provided in another title or section,  
15 violation of this section is a class C felony for which a person,  
16 upon conviction, shall be punished by imprisonment for not more than  
17 five years or a fine of not more than one hundred thousand dollars,  
18 or both.

19 **Sec. 23.** RCW 9.46.210 and 2020 c 127 s 7 are each amended to  
20 read as follows:

21 (1) It shall be the duty of all peace officers, law enforcement  
22 officers, and law enforcement agencies within this state to  
23 investigate, enforce, and prosecute all violations of this chapter.

24 (2) In addition to the authority granted by subsection (1) of  
25 this section, law enforcement agencies of cities and counties shall  
26 investigate and report to the commission all violations of the  
27 provisions of this chapter and of the rules of the commission found  
28 by them and shall assist the commission in any of its investigations  
29 and proceedings respecting any such violations. Such law enforcement  
30 agencies shall not be deemed agents of the commission.

31 (3) In addition to its other powers and duties, the commission  
32 shall have the power to enforce the penal provisions of this chapter  
33 and chapter 9.--- RCW (the new chapter created in section 37 of this  
34 act), as it may be amended, and the penal laws of this state relating  
35 to the conduct of or participation in gambling activities, including  
36 chapter 9A.83 RCW, and the manufacturing, importation,  
37 transportation, distribution, possession, and sale of equipment or  
38 paraphernalia used or for use in connection therewith. The director,  
39 the deputy director, both assistant directors, and each of the

1 commission's investigators, enforcement officers, and inspectors  
2 shall have the power, under the supervision of the commission, to  
3 enforce the penal provisions of this chapter and chapter 9.--- RCW  
4 (the new chapter created in section 37 of this act), as it may be  
5 amended, and the penal laws of this state relating to the conduct of  
6 or participation in gambling activities, including chapter 9A.83 RCW,  
7 and the manufacturing, importation, transportation, distribution,  
8 possession, and sale of equipment or paraphernalia used or for use in  
9 connection therewith. They shall have the power and authority to  
10 apply for and execute all warrants and serve process of law issued by  
11 the courts in enforcing the penal provisions of this chapter and  
12 chapter 9.--- RCW (the new chapter created in section 37 of this  
13 act), as it may be amended, and the penal laws of this state relating  
14 to the conduct of or participation in gambling activities and the  
15 manufacturing, importation, transportation, distribution, possession,  
16 and sale of equipment or paraphernalia used or for use in connection  
17 therewith. They shall have the power to arrest without a warrant, any  
18 person or persons found in the act of violating any of the penal  
19 provisions of this chapter and chapter 9.--- RCW (the new chapter  
20 created in section 37 of this act), as it may be amended, and the  
21 penal laws of this state relating to the conduct of or participation  
22 in gambling activities and the manufacturing, importation,  
23 transportation, distribution, possession, and sale of equipment or  
24 paraphernalia used or for use in connection therewith. To the extent  
25 set forth above, the commission shall be a law enforcement agency of  
26 this state with the power to investigate for violations of and to  
27 enforce the provisions of this chapter, as now law or hereafter  
28 amended, and to obtain information from and provide information to  
29 all other law enforcement agencies.

30 (4) Criminal history record information that includes  
31 nonconviction data, as defined in RCW 10.97.030, may be disseminated  
32 by a criminal justice agency to the Washington state gambling  
33 commission for any purpose associated with the investigation for  
34 suitability for involvement in gambling activities authorized under  
35 this chapter. The Washington state gambling commission shall only  
36 disseminate nonconviction data obtained under this section to  
37 criminal justice agencies.

38 (5) In addition to its other powers and duties, the commission  
39 may ensure sport integrity and prevent and detect competition  
40 manipulation through education and enforcement of the penal



1 provisions of this chapter or chapter 67.04 or 67.24 RCW, or any  
2 other state penal laws related to the integrity of sporting events,  
3 athletic events, or competitions within the state.

4 (6) In addition to its other powers and duties, the commission  
5 may (~~track~~):

6 (a) Establish a sports integrity unit to prevent and detect  
7 competition manipulation through education and enforcement of the  
8 penal provisions of chapters 9.46, 67.04, and 9.--- RCW (the new  
9 chapter created in section 37 of this act), or any other state penal  
10 laws needed to protect the integrity of amateur and professional  
11 sporting events and contests within the state; and

12 (b) Track and monitor gambling-related transactions occurring  
13 within the state to aid in its enforcement of the penal provisions of  
14 this chapter (~~to~~), chapters 9A.83, 9.46, and 9.--- (the new chapter  
15 created in section 37 of this act) RCW, or any other state penal laws  
16 related to suspicious or illegal wagering activities, including the  
17 use of funds derived from illegal activity, wagers to conceal or  
18 launder funds derived from illegal activity, use of agents to place  
19 wagers, or use of false identification by a player.

20 **Sec. 24.** RCW 9.46.240 and 2020 c 127 s 10 are each amended to  
21 read as follows:

22 (1) Whoever knowingly transmits or receives gambling information  
23 by telephone, telegraph, radio, semaphore, the internet, a  
24 telecommunications transmission system, or similar means, or  
25 knowingly installs or maintains equipment for the transmission or  
26 receipt of gambling information shall be guilty of a class C felony  
27 subject to the penalty set forth in RCW 9A.20.021.

28 (2) This section shall not apply to such information transmitted  
29 or received or equipment or devices installed or maintained relating  
30 to activities authorized by this chapter including, but not limited  
31 to, sports wagering authorized under chapter 9.--- RCW (the new  
32 chapter created in section 37 of this act), RCW 9.46.0364 and  
33 9.46.0368, or to any act or acts in furtherance thereof when  
34 conducted in compliance with the provisions of this chapter and in  
35 accordance with the rules adopted under this chapter and conducted in  
36 accordance with tribal-state compacts.

37 **Sec. 25.** RCW 67.04.010 and 2012 c 117 s 294 are each amended to  
38 read as follows:

1 Any person who shall bribe or offer to bribe(~~(7)~~) any (~~(baseball~~  
2 ~~player)~~) sporting event participant, including an athlete, coach,  
3 referee, official, medical staff, or anyone else having actual or  
4 potential influence over a sporting event, with the intent to  
5 influence ((his or her play, action, or conduct in any baseball  
6 game)) the outcome of a play, game, match, or event, or any person  
7 who shall bribe or offer to bribe any ((umpire of a baseball game,  
8 with intent to influence him or her to make a wrong decision or to  
9 bias his or her opinion or judgment in relation to any baseball game  
10 or any play occurring therein, or any person who shall bribe or offer  
11 to bribe any manager, or other official of a baseball club, league,  
12 or association, by whatsoever name called, conducting said game of  
13 baseball to throw or lose a game of baseball)) team, school, or  
14 league official or employee to obtain confidential or insider  
15 information on a player, team, or coach with the intent to violate  
16 this chapter or use the information to gain a gambling advantage in  
17 violation of chapters 9.46 and 9.--- RCW (the new chapter created in  
18 section 37 of this act), shall be guilty of a ((gross misdemeanor))  
19 class B felony.

20 **Sec. 26.** RCW 67.04.020 and 2012 c 117 s 295 are each amended to  
21 read as follows:

22 Any (~~(baseball player)~~) sporting event athlete, player, or  
23 participant who shall accept or agree to accept(~~(7)~~) a bribe offered  
24 for the purpose of wrongfully influencing his or her play, action,  
25 decision making, or conduct in any (~~(baseball game)~~) sporting event,  
26 or any umpire (~~(of a baseball game)~~), official, referee, or any other  
27 person responsible for implementing game or event rules and scoring  
28 who shall accept or agree to accept a bribe offered for the purpose  
29 of influencing him or her to make a wrong decision, or biasing his or  
30 her opinions, rulings, or judgment with regard to any play, or any  
31 (~~(manager of a baseball club, or club)~~) person, including an owner,  
32 manager, coach, medical staff, official, employee of a team,  
33 organization, or league official, who shall accept(~~(7)~~) or agree to  
34 accept(~~(7)~~) any bribe offered for the purpose of inducing him or her  
35 to manipulate a game or contest, including to lose or cause to be  
36 lost any ((baseball)) game or contest, as set forth in RCW 67.04.010,  
37 shall be guilty of a ((gross misdemeanor)) class C felony.

1       **Sec. 27.** RCW 67.04.030 and 2012 c 117 s 296 are each amended to  
2 read as follows:

3       To complete the offenses mentioned in RCW 67.04.010 and  
4 67.04.020, it shall not be necessary that (~~the baseball~~) a player,  
5 manager, umpire, (~~or~~) official, or anyone else having actual or  
6 potential influence over a sporting event shall, at the time, have  
7 been actually employed, selected, or appointed to perform his or her  
8 respective duties; it shall be sufficient if the bribe be offered,  
9 accepted, or agreed to with the view of probable employment,  
10 selection, or appointment of the person to whom the bribe is offered,  
11 or by whom it is accepted. Neither shall it be necessary that such  
12 (~~baseball~~) player, umpire, (~~or~~) manager, official, or anyone else  
13 having actual or potential influence over a sporting event actually  
14 play or participate in a game or games concerning which said bribe is  
15 offered or accepted; it shall be sufficient if the bribe be given,  
16 offered, or accepted in view of his or her possibly participating  
17 therein.

18       **Sec. 28.** RCW 67.04.040 and 2012 c 117 s 297 are each amended to  
19 read as follows:

20       By a "bribe" as used in RCW 67.04.010 through 67.04.080, is meant  
21 any gift, emolument, money or thing of value, testimonial, privilege,  
22 appointment, or personal advantage, or the promise of either,  
23 bestowed or promised for the purpose of influencing, directly or  
24 indirectly, any (~~baseball~~) player, manager, umpire, club or league  
25 official, or anyone else having actual or potential influence over a  
26 sporting event to see which game an admission fee may be charged, or  
27 in which game of (~~baseball~~) any player, manager, (~~or~~) umpire,  
28 official, or anyone else having actual or potential influence over a  
29 sporting event is paid any compensation for his or her services. Said  
30 bribe as defined in RCW 67.04.010 through 67.04.080 need not be  
31 direct; it may be such as is hidden under the semblance of a sale,  
32 bet, wager, payment of a debt, or in any other manner designed to  
33 cover the true intention of the parties.

34       **Sec. 29.** RCW 67.04.050 and 2012 c 117 s 298 are each amended to  
35 read as follows:

36       Any (~~baseball~~) player, manager, umpire, referee, official, or  
37 club or league (~~official~~) employee who shall commit any willful act  
38 of omission or commission in playing, or directing the playing, of a

1 ((baseball)) game, sporting event, or contest, with intent to  
2 ((cause)) manipulate a sporting event, including causing the ((ball  
3 club)) team, with which he or she is affiliated, to lose a  
4 ((baseball)) game or event; or any umpire, referee, or official  
5 officiating in a ((baseball)) game or event, or any club or league  
6 ((official)) employee who shall commit any willful act connected with  
7 his or her official duties for the purpose and with the intent to  
8 ((cause)) manipulate a sporting event, including causing a ((baseball  
9 club)) team to win or lose a ((baseball)) game or event, which it  
10 would not otherwise have won or lost under the rules governing the  
11 playing of said game, shall be guilty of a ((gross misdemeanor))  
12 class C felony.

13 **Sec. 30.** RCW 67.04.060 and 1921 c 181 s 6 are each amended to  
14 read as follows:

15 In all prosecutions under RCW 67.04.010 through 67.04.080, the  
16 venue may be laid in any county where the bribe herein referred to  
17 was given, offered or accepted, or in which the ((baseball game))  
18 sporting event or contest was played in relation to which the bribe  
19 was offered, given or accepted, or the acts referred to in RCW  
20 67.04.050 committed.

21 **Sec. 31.** RCW 67.04.070 and 2012 c 117 s 299 are each amended to  
22 read as follows:

23 Nothing in RCW 67.04.010 through 67.04.080 shall be construed to  
24 prohibit the giving or offering of any bonus or extra compensation to  
25 any manager ((or baseball)), player, coach, or other persons  
26 connected with a collegiate or professional team, organization, or  
27 league by any person to encourage such manager or player to a higher  
28 degree of skill, ability, or diligence in the performance of his or  
29 her duties.

30 **Sec. 32.** RCW 67.04.080 and 1921 c 181 s 8 are each amended to  
31 read as follows:

32 RCW 67.04.010 through 67.04.080 shall apply only to ((baseball  
33 league and club officials)) sporting event leagues, teams, players,  
34 referees, umpires, managers ((and players)), or anyone else having  
35 actual or potential influence over a sporting event who act in  
36 ((such)) their official capacity in ((games)) sporting events or

1 contests where the public is generally invited to attend and ((  
2 ~~general admission~~)) an entrance fee is charged.

3 NEW SECTION. **Sec. 33.** A new section is added to chapter 82.04  
4 RCW to read as follows:

5 This chapter does not apply to any person in respect to a  
6 business activity with respect to which tax liability is specifically  
7 imposed under chapter 9.--- RCW (the new chapter created in section  
8 37 of this act).

9 NEW SECTION. **Sec. 34.** RCW 67.24.010 is recodified as a section  
10 in chapter 67.04 RCW.

11 NEW SECTION. **Sec. 35.** RCW 67.24.020 (Scope of 1945 c 107) is  
12 decodified.

13 NEW SECTION. **Sec. 36.** If any provision of this act or its  
14 application to any person or circumstance is held invalid, the  
15 remainder of the act or the application of the provision to other  
16 persons or circumstances is not affected.

17 NEW SECTION. **Sec. 37.** Sections 1 through 19 of this act  
18 constitute a new chapter in Title 9 RCW.

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**HOUSE BILL 1438**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Representatives Eslick, Dent, and Chapman

Read first time 01/19/23. Referred to Committee on Regulated Substances & Gaming.

1 AN ACT Relating to authorizing bona fide charitable or nonprofit  
2 organizations to conduct Calcutta auctions on shooting sports  
3 contests; reenacting and amending RCW 82.04.050; and adding a new  
4 section to chapter 9.46 RCW.

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

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

8 (1) The legislature hereby authorizes bona fide charitable or  
9 nonprofit organizations to conduct, without the necessity of  
10 obtaining a permit or license to do so from the commission, shooting  
11 sports and activities sweepstakes permitting wagers of money, and the  
12 same shall not constitute gambling or lottery as otherwise prohibited  
13 in this chapter, or be subject to civil or criminal penalties  
14 thereunder, but this only when the outcome of such sweepstakes is  
15 dependent upon the score, or scores, or the shooting ability, or  
16 abilities, of a shooting sports contest between individual shooters  
17 or teams of such shooters, conducted in the following manner:

18 (a) Wagers are placed by buying tickets on any players in a  
19 shooting sports contest to "win," "place," or "show" and those  
20 holding tickets on the three winners may receive a payoff similar to  
21 the system of betting identified as parimutuel, such moneys placed as

1 wagers to be used primarily as winners' proceeds, except moneys used  
2 to defray the expenses of such shooting sports contest or otherwise  
3 used to carry out the purposes of such organization; or

4 (b) Participants in any shooting sports contest(s) pay a like sum  
5 of money into a common fund on the basis of attaining a stated number  
6 of points ascertainable from the score of such participants, and  
7 those participants attaining such stated number of points share  
8 equally in the moneys in the common fund, without any percentage of  
9 such moneys going to the sponsoring organization; or

10 (c) An auction is held in which persons may bid on the shooters  
11 or teams of shooters in the shooting sports contest, and the person  
12 placing the highest bid on the shooter or team that wins the shooting  
13 sports contest receives the proceeds of the auction and splits, at a  
14 percentage set forth by the bona fide charitable or nonprofit  
15 organization, the proceeds with the winning shooter or team of  
16 shooters, except moneys used to defray the expenses of the shooting  
17 sports sweepstakes or otherwise used to carry out the purposes of the  
18 organizations; and

19 (d) Participation is limited to members of the sponsoring  
20 organization and their bona fide guests.

21 (2) For purposes of this section, "shooting sports" means  
22 shooting sports and activities such as target shooting, skeet, trap,  
23 sporting clays, "5" stand, and archery.

24 **Sec. 2.** RCW 82.04.050 and 2021 c 296 s 8 and 2021 c 143 s 2 are  
25 each reenacted and amended to read as follows:

26 (1)(a) "Sale at retail" or "retail sale" means every sale of  
27 tangible personal property (including articles produced, fabricated,  
28 or imprinted) to all persons irrespective of the nature of their  
29 business and including, among others, without limiting the scope  
30 hereof, persons who install, repair, clean, alter, improve,  
31 construct, or decorate real or personal property of or for consumers  
32 other than a sale to a person who:

33 (i) Purchases for the purpose of resale as tangible personal  
34 property in the regular course of business without intervening use by  
35 such person, but a purchase for the purpose of resale by a regional  
36 transit authority under RCW 81.112.300 is not a sale for resale; or

37 (ii) Installs, repairs, cleans, alters, imprints, improves,  
38 constructs, or decorates real or personal property of or for  
39 consumers, if such tangible personal property becomes an ingredient

1 or component of such real or personal property without intervening  
2 use by such person; or

3 (iii) Purchases for the purpose of consuming the property  
4 purchased in producing for sale as a new article of tangible personal  
5 property or substance, of which such property becomes an ingredient  
6 or component or is a chemical used in processing, when the primary  
7 purpose of such chemical is to create a chemical reaction directly  
8 through contact with an ingredient of a new article being produced  
9 for sale; or

10 (iv) Purchases for the purpose of consuming the property  
11 purchased in producing ferrosilicon which is subsequently used in  
12 producing magnesium for sale, if the primary purpose of such property  
13 is to create a chemical reaction directly through contact with an  
14 ingredient of ferrosilicon; or

15 (v) Purchases for the purpose of providing the property to  
16 consumers as part of competitive telephone service, as defined in RCW  
17 82.04.065; or

18 (vi) Purchases for the purpose of satisfying the person's  
19 obligations under an extended warranty as defined in subsection (7)  
20 of this section, if such tangible personal property replaces or  
21 becomes an ingredient or component of property covered by the  
22 extended warranty without intervening use by such person.

23 (b) The term includes every sale of tangible personal property  
24 that is used or consumed or to be used or consumed in the performance  
25 of any activity defined as a "sale at retail" or "retail sale" even  
26 though such property is resold or used as provided in (a)(i) through  
27 (vi) of this subsection following such use.

28 (c) The term also means every sale of tangible personal property  
29 to persons engaged in any business that is taxable under RCW  
30 82.04.280(1) (a), (b), and (g), 82.04.290, and 82.04.2908.

31 (2) The term "sale at retail" or "retail sale" includes the sale  
32 of or charge made for tangible personal property consumed and/or for  
33 labor and services rendered in respect to the following:

34 (a) The installing, repairing, cleaning, altering, imprinting, or  
35 improving of tangible personal property of or for consumers,  
36 including charges made for the mere use of facilities in respect  
37 thereto, but excluding charges made for the use of self-service  
38 laundry facilities, and also excluding sales of laundry service to  
39 nonprofit health care facilities, and excluding services rendered in  
40 respect to live animals, birds and insects;



1 (b) The constructing, repairing, decorating, or improving of new  
2 or existing buildings or other structures under, upon, or above real  
3 property of or for consumers, including the installing or attaching  
4 of any article of tangible personal property therein or thereto,  
5 whether or not such personal property becomes a part of the realty by  
6 virtue of installation, and also includes the sale of services or  
7 charges made for the clearing of land and the moving of earth  
8 excepting the mere leveling of land used in commercial farming or  
9 agriculture;

10 (c) The constructing, repairing, or improving of any structure  
11 upon, above, or under any real property owned by an owner who conveys  
12 the property by title, possession, or any other means to the person  
13 performing such construction, repair, or improvement for the purpose  
14 of performing such construction, repair, or improvement and the  
15 property is then reconveyed by title, possession, or any other means  
16 to the original owner;

17 (d) The cleaning, fumigating, razing, or moving of existing  
18 buildings or structures, but does not include the charge made for  
19 janitorial services; and for purposes of this section the term  
20 "janitorial services" means those cleaning and caretaking services  
21 ordinarily performed by commercial janitor service businesses  
22 including, but not limited to, wall and window washing, floor  
23 cleaning and waxing, and the cleaning in place of rugs, drapes and  
24 upholstery. The term "janitorial services" does not include painting,  
25 papering, repairing, furnace or septic tank cleaning, snow removal or  
26 sandblasting;

27 (e) Automobile towing and similar automotive transportation  
28 services, but not in respect to those required to report and pay  
29 taxes under chapter 82.16 RCW;

30 (f) The furnishing of lodging and all other services by a hotel,  
31 rooming house, tourist court, motel, trailer camp, and the granting  
32 of any similar license to use real property, as distinguished from  
33 the renting or leasing of real property, and it is presumed that the  
34 occupancy of real property for a continuous period of one month or  
35 more constitutes a rental or lease of real property and not a mere  
36 license to use or enjoy the same. For the purposes of this  
37 subsection, it is presumed that the sale of and charge made for the  
38 furnishing of lodging for a continuous period of one month or more to  
39 a person is a rental or lease of real property and not a mere license  
40 to enjoy the same. For the purposes of this section, it is presumed

1 that the sale of and charge made for the furnishing of lodging  
2 offered regularly for public occupancy for periods of less than a  
3 month constitutes a license to use or enjoy the property subject to  
4 sales and use tax and not a rental or lease of property;

5 (g) The installing, repairing, altering, or improving of digital  
6 goods for consumers;

7 (h) Persons taxable under (a), (b), (c), (d), (e), (f), and (g)  
8 of this subsection when such sales or charges are for property, labor  
9 and services which are used or consumed in whole or in part by such  
10 persons in the performance of any activity defined as a "sale at  
11 retail" or "retail sale" even though such property, labor and  
12 services may be resold after such use or consumption. Nothing  
13 contained in this subsection may be construed to modify subsection  
14 (1) of this section and nothing contained in subsection (1) of this  
15 section may be construed to modify this subsection.

16 (3) The term "sale at retail" or "retail sale" includes the sale  
17 of or charge made for personal, business, or professional services  
18 including amounts designated as interest, rents, fees, admission, and  
19 other service emoluments however designated, received by persons  
20 engaging in the following business activities:

21 (a) Abstract, title insurance, and escrow services;

22 (b) Credit bureau services;

23 (c) Automobile parking and storage garage services;

24 (d) Landscape maintenance and horticultural services but  
25 excluding (i) horticultural services provided to farmers and (ii)  
26 pruning, trimming, repairing, removing, and clearing of trees and  
27 brush near electric transmission or distribution lines or equipment,  
28 if performed by or at the direction of an electric utility;

29 (e) Service charges associated with tickets to professional  
30 sporting events;

31 (f) The following personal services: Tanning salon services,  
32 tattoo parlor services, steam bath services, turkish bath services,  
33 escort services, and dating services; and

34 (g) (i) Operating an athletic or fitness facility, including all  
35 charges for the use of such a facility or for any associated services  
36 and amenities, except as provided in (g) (ii) of this subsection.

37 (ii) Notwithstanding anything to the contrary in (g) (i) of this  
38 subsection (3), the term "sale at retail" and "retail sale" under  
39 this subsection does not include:

1 (A) Separately stated charges for the use of an athletic or  
2 fitness facility where such use is primarily for a purpose other than  
3 engaging in or receiving instruction in a physical fitness activity;

4 (B) Separately stated charges for the use of a discrete portion  
5 of an athletic or fitness facility, other than a pool, where such  
6 discrete portion of the facility does not by itself meet the  
7 definition of "athletic or fitness facility" in this subsection;

8 (C) Separately stated charges for services, such as advertising,  
9 massage, nutritional consulting, and body composition testing, that  
10 do not require the customer to engage in physical fitness activities  
11 to receive the service. The exclusion in this subsection  
12 (3)(g)(ii)(C) does not apply to personal training services and  
13 instruction in a physical fitness activity;

14 (D) Separately stated charges for physical therapy provided by a  
15 physical therapist, as those terms are defined in RCW 18.74.010, or  
16 occupational therapy provided by an occupational therapy  
17 practitioner, as those terms are defined in RCW 18.59.020, when  
18 performed pursuant to a referral from an authorized health care  
19 practitioner or in consultation with an authorized health care  
20 practitioner. For the purposes of this subsection (3)(g)(ii)(D), an  
21 authorized health care practitioner means a health care practitioner  
22 licensed under chapter 18.83, 18.25, 18.36A, 18.57, 18.71, or 18.71A  
23 RCW, or, until July 1, 2022, chapter 18.57A RCW;

24 (E) Rent or association fees charged by a landlord or residential  
25 association to a tenant or residential owner with access to an  
26 athletic or fitness facility maintained by the landlord or  
27 residential association, unless the rent or fee varies depending on  
28 whether the tenant or owner has access to the facility;

29 (F) Services provided in the regular course of employment by an  
30 employee with access to an athletic or fitness facility maintained by  
31 the employer for use without charge by its employees or their family  
32 members;

33 (G) The provision of access to an athletic or fitness facility by  
34 an educational institution to its students and staff. However,  
35 charges made by an educational institution to its alumni or other  
36 members of the public for the use of any of the educational  
37 institution's athletic or fitness facilities are a retail sale under  
38 this subsection (3)(g). For purposes of this subsection  
39 (3)(g)(ii)(G), "educational institution" has the same meaning as in  
40 RCW 82.04.170;

1 (H) Yoga, chi gong, or martial arts classes, training, or events  
2 held at a community center, park, school gymnasium, college or  
3 university, hospital or other medical facility, private residence, or  
4 any other facility that is not operated within and as part of an  
5 athletic or fitness facility.

6 (iii) Nothing in (g)(ii) of this subsection (3) may be construed  
7 to affect the taxation of sales made by the operator of an athletic  
8 or fitness facility, where such sales are defined as a retail sale  
9 under any provision of this section other than this subsection (3).

10 (iv) For the purposes of this subsection (3)(g), the following  
11 definitions apply:

12 (A) "Athletic or fitness facility" means an indoor or outdoor  
13 facility or portion of a facility that is primarily used for:  
14 Exercise classes; strength and conditioning programs; personal  
15 training services; tennis, racquetball, handball, squash, or  
16 pickleball; or other activities requiring the use of exercise or  
17 strength training equipment, such as treadmills, elliptical machines,  
18 stair climbers, stationary cycles, rowing machines, pilates  
19 equipment, balls, climbing ropes, jump ropes, and weightlifting  
20 equipment.

21 (B) "Martial arts" means any of the various systems of training  
22 for physical combat or self-defense. "Martial arts" includes, but is  
23 not limited to, karate, kung fu, tae kwon do, Krav Maga, boxing,  
24 kickboxing, jujitsu, shootfighting, wrestling, aikido, judo, hapkido,  
25 Kendo, tai chi, and mixed martial arts.

26 (C) "Physical fitness activities" means activities that involve  
27 physical exertion for the purpose of improving or maintaining the  
28 general fitness, strength, flexibility, conditioning, or health of  
29 the participant. "Physical fitness activities" includes participating  
30 in yoga, chi gong, or martial arts.

31 (4)(a) The term also includes the renting or leasing of tangible  
32 personal property to consumers.

33 (b) The term does not include the renting or leasing of tangible  
34 personal property where the lease or rental is for the purpose of  
35 sublease or subrent.

36 (5) The term also includes the providing of "competitive  
37 telephone service," "telecommunications service," or "ancillary  
38 services," as those terms are defined in RCW 82.04.065, to consumers.

39 (6)(a) The term also includes the sale of prewritten computer  
40 software to a consumer, regardless of the method of delivery to the

1 end user. For purposes of (a) and (b) of this subsection, the sale of  
2 prewritten computer software includes the sale of or charge made for  
3 a key or an enabling or activation code, where the key or code is  
4 required to activate prewritten computer software and put the  
5 software into use. There is no separate sale of the key or code from  
6 the prewritten computer software, regardless of how the sale may be  
7 characterized by the vendor or by the purchaser.

8 (b) The term "retail sale" does not include the sale of or charge  
9 made for:

10 (i) Custom software; or

11 (ii) The customization of prewritten computer software.

12 (c)(i) The term also includes the charge made to consumers for  
13 the right to access and use prewritten computer software, where  
14 possession of the software is maintained by the seller or a third  
15 party, regardless of whether the charge for the service is on a per  
16 use, per user, per license, subscription, or some other basis.

17 (ii)(A) The service described in (c)(i) of this subsection (6)  
18 includes the right to access and use prewritten computer software to  
19 perform data processing.

20 (B) For purposes of this subsection (6)(c)(ii), "data processing"  
21 means the systematic performance of operations on data to extract the  
22 required information in an appropriate form or to convert the data to  
23 usable information. Data processing includes check processing, image  
24 processing, form processing, survey processing, payroll processing,  
25 claim processing, and similar activities.

26 (7) The term also includes the sale of or charge made for an  
27 extended warranty to a consumer. For purposes of this subsection,  
28 "extended warranty" means an agreement for a specified duration to  
29 perform the replacement or repair of tangible personal property at no  
30 additional charge or a reduced charge for tangible personal property,  
31 labor, or both, or to provide indemnification for the replacement or  
32 repair of tangible personal property, based on the occurrence of  
33 specified events. The term "extended warranty" does not include an  
34 agreement, otherwise meeting the definition of extended warranty in  
35 this subsection, if no separate charge is made for the agreement and  
36 the value of the agreement is included in the sales price of the  
37 tangible personal property covered by the agreement. For purposes of  
38 this subsection, "sales price" has the same meaning as in RCW  
39 82.08.010.

1 (8) (a) The term also includes the following sales to consumers of  
2 digital goods, digital codes, and digital automated services:

3 (i) Sales in which the seller has granted the purchaser the right  
4 of permanent use;

5 (ii) Sales in which the seller has granted the purchaser a right  
6 of use that is less than permanent;

7 (iii) Sales in which the purchaser is not obligated to make  
8 continued payment as a condition of the sale; and

9 (iv) Sales in which the purchaser is obligated to make continued  
10 payment as a condition of the sale.

11 (b) A retail sale of digital goods, digital codes, or digital  
12 automated services under this subsection (8) includes any services  
13 provided by the seller exclusively in connection with the digital  
14 goods, digital codes, or digital automated services, whether or not a  
15 separate charge is made for such services.

16 (c) For purposes of this subsection, "permanent" means perpetual  
17 or for an indefinite or unspecified length of time. A right of  
18 permanent use is presumed to have been granted unless the agreement  
19 between the seller and the purchaser specifies or the circumstances  
20 surrounding the transaction suggest or indicate that the right to use  
21 terminates on the occurrence of a condition subsequent.

22 (9) The term also includes the charge made for providing tangible  
23 personal property along with an operator for a fixed or indeterminate  
24 period of time. A consideration of this is that the operator is  
25 necessary for the tangible personal property to perform as designed.  
26 For the purpose of this subsection (9), an operator must do more than  
27 maintain, inspect, or set up the tangible personal property.

28 (10) The term does not include the sale of or charge made for  
29 labor and services rendered in respect to the building, repairing, or  
30 improving of any street, place, road, highway, easement, right-of-  
31 way, mass public transportation terminal or parking facility, bridge,  
32 tunnel, or trestle which is owned by a municipal corporation or  
33 political subdivision of the state or by the United States and which  
34 is used or to be used primarily for foot or vehicular traffic  
35 including mass transportation vehicles of any kind.

36 (11) The term also does not include sales of chemical sprays or  
37 washes to persons for the purpose of postharvest treatment of fruit  
38 for the prevention of scald, fungus, mold, or decay, nor does it  
39 include sales of feed, seed, seedlings, fertilizer, agents for  
40 enhanced pollination including insects such as bees, and spray

1 materials to: (a) Persons who participate in the federal conservation  
2 reserve program, the environmental quality incentives program, the  
3 wetlands reserve program, and the wildlife habitat incentives  
4 program, or their successors administered by the United States  
5 department of agriculture; (b) farmers for the purpose of producing  
6 for sale any agricultural product; (c) farmers for the purpose of  
7 providing bee pollination services; and (d) farmers acting under  
8 cooperative habitat development or access contracts with an  
9 organization exempt from federal income tax under 26 U.S.C. Sec.  
10 501(c)(3) of the federal internal revenue code or the Washington  
11 state department of fish and wildlife to produce or improve wildlife  
12 habitat on land that the farmer owns or leases.

13 (12) The term does not include the sale of or charge made for  
14 labor and services rendered in respect to the constructing,  
15 repairing, decorating, or improving of new or existing buildings or  
16 other structures under, upon, or above real property of or for the  
17 United States, any instrumentality thereof, or a county or city  
18 housing authority created pursuant to chapter 35.82 RCW, including  
19 the installing, or attaching of any article of tangible personal  
20 property therein or thereto, whether or not such personal property  
21 becomes a part of the realty by virtue of installation. Nor does the  
22 term include the sale of services or charges made for the clearing of  
23 land and the moving of earth of or for the United States, any  
24 instrumentality thereof, or a county or city housing authority. Nor  
25 does the term include the sale of services or charges made for  
26 cleaning up for the United States, or its instrumentalities,  
27 radioactive waste and other by-products of weapons production and  
28 nuclear research and development.

29 (13) The term does not include the sale of or charge made for  
30 labor, services, or tangible personal property pursuant to agreements  
31 providing maintenance services for bus, rail, or rail fixed guideway  
32 equipment when a regional transit authority is the recipient of the  
33 labor, services, or tangible personal property, and a transit agency,  
34 as defined in RCW 81.104.015, performs the labor or services.

35 (14) The term does not include the sale for resale of any service  
36 described in this section if the sale would otherwise constitute a  
37 "sale at retail" and "retail sale" under this section.

38 (15)(a) The term "sale at retail" or "retail sale" includes  
39 amounts charged, however labeled, to consumers to engage in any of  
40 the activities listed in this subsection (15)(a), including the

1 furnishing of any associated equipment or, except as otherwise  
2 provided in this subsection, providing instruction in such  
3 activities, where such charges are not otherwise defined as a "sale  
4 at retail" or "retail sale" in this section:

5 (i) (A) Golf, including any variant in which either golf balls or  
6 golf clubs are used, such as miniature golf, hitting golf balls at a  
7 driving range, and golf simulators, and including fees charged by a  
8 golf course to a player for using his or her own cart. However,  
9 charges for golf instruction are not a retail sale, provided that if  
10 the instruction involves the use of a golfing facility that would  
11 otherwise require the payment of a fee, such as green fees or driving  
12 range fees, such fees, including the applicable retail sales tax,  
13 must be separately identified and charged by the golfing facility  
14 operator to the instructor or the person receiving the instruction.

15 (B) Notwithstanding (a) (i) (A) of this subsection (15) and except  
16 as otherwise provided in this subsection (15) (a) (i) (B), the term  
17 "sale at retail" or "retail sale" does not include amounts charged to  
18 participate in, or conduct, a golf tournament or other competitive  
19 event. However, amounts paid by event participants to the golf  
20 facility operator are retail sales under this subsection (15) (a) (i).  
21 Likewise, amounts paid by the event organizer to the golf facility  
22 are retail sales under this subsection (15) (a) (i), if such amounts  
23 vary based on the number of event participants;

24 (ii) Ballooning, hang gliding, indoor or outdoor sky diving,  
25 paragliding, parasailing, and similar activities;

26 (iii) Air hockey, billiards, pool, foosball, darts, shuffleboard,  
27 ping pong, and similar games;

28 (iv) Access to amusement park, theme park, and water park  
29 facilities, including but not limited to charges for admission and  
30 locker or cabana rentals. Discrete charges for rides or other  
31 attractions or entertainment that are in addition to the charge for  
32 admission are not a retail sale under this subsection (15) (a) (iv).  
33 For the purposes of this subsection, an amusement park or theme park  
34 is a location that provides permanently affixed amusement rides,  
35 games, and other entertainment, but does not include parks or zoos  
36 for which the primary purpose is the exhibition of wildlife, or  
37 fairs, carnivals, and festivals as defined in (b) (i) of this  
38 subsection;

39 (v) Batting cage activities;



1 (vi) Bowling, but not including competitive events, except that  
2 amounts paid by the event participants to the bowling alley operator  
3 are retail sales under this subsection (15)(a)(vi). Likewise, amounts  
4 paid by the event organizer to the operator of the bowling alley are  
5 retail sales under this subsection (15)(a)(vi), if such amounts vary  
6 based on the number of event participants;

7 (vii) Climbing on artificial climbing structures, whether indoors  
8 or outdoors;

9 (viii) Day trips for sightseeing purposes;

10 (ix) Bungee jumping, zip lining, and riding inside a ball,  
11 whether inflatable or otherwise;

12 (x) Horseback riding offered to the public, where the seller  
13 furnishes the horse to the buyer and providing instruction is not the  
14 primary focus of the activity, including guided rides, but not  
15 including therapeutic horseback riding provided by an instructor  
16 certified by a nonprofit organization that offers national or  
17 international certification for therapeutic riding instructors;

18 (xi) Fishing, including providing access to private fishing areas  
19 and charter or guided fishing, except that fishing contests and  
20 license fees imposed by a government entity are not a retail sale  
21 under this subsection;

22 (xii) Guided hunting and hunting at game farms and shooting  
23 preserves, except that hunting contests and license fees imposed by a  
24 government entity are not a retail sale under this subsection;

25 (xiii) Swimming, but only in respect to (A) recreational or  
26 fitness swimming that is open to the public, such as open swim, lap  
27 swimming, and special events like kids night out and pool parties  
28 during open swim time, and (B) pool parties for private events, such  
29 as birthdays, family gatherings, and employee outings. Fees for  
30 swimming lessons, to participate in swim meets and other  
31 competitions, or to join a swim team, club, or aquatic facility are  
32 not retail sales under this subsection (15)(a)(xiii);

33 (xiv) Go-karting, bumper cars, and other motorized activities  
34 where the seller provides the vehicle and the premises where the  
35 buyer will operate the vehicle;

36 (xv) Indoor or outdoor playground activities, such as inflatable  
37 bounce structures and other inflatables; mazes; trampolines; slides;  
38 ball pits; games of tag, including laser tag and soft-dart tag; and  
39 human gyroscope rides, regardless of whether such activities occur at  
40 the seller's place of business, but not including playground

1 activities provided for children by a licensed child day care center  
2 or licensed family day care provider as those terms are defined in  
3 RCW 43.216.010;

4 (xvi) (A) Shooting sports and activities, such as target shooting,  
5 skeet, trap, sporting clays, "5" stand, and archery, but only in  
6 respect to discrete charges to members of the public to engage in  
7 these activities, but not including fees to enter a competitive  
8 event, instruction that is entirely or predominately classroom based,  
9 or to join or renew a membership at a club, range, or other facility.

10 (B) Notwithstanding (a) (xvi) (A) of this subsection (15) and  
11 except as otherwise provided in this subsection (15) (a) (xvi) (B), the  
12 term "sale at retail" or "retail sale" does not include amounts  
13 charged to participate in, or conduct, a shooting sports and  
14 activities contest or competitive event. However, amounts paid by  
15 event participants to the shooting sports and activities operator are  
16 retail sales under this subsection (15) (a) (xvi). Likewise, amounts  
17 paid by the event organizer to the shooting sports and activities  
18 facility are retail sales under this subsection (15) (a) (xvi), if such  
19 amounts vary based on the number of event participants;

20 (xvii) Paintball and airsoft activities;

21 (xviii) Skating, including ice skating, roller skating, and  
22 inline skating, but only in respect to discrete charges to members of  
23 the public to engage in skating activities, but not including skating  
24 lessons, competitive events, team activities, or fees to join or  
25 renew a membership at a skating facility, club, or other  
26 organization;

27 (xix) Nonmotorized snow sports and activities, such as downhill  
28 and cross-country skiing, snowboarding, ski jumping, sledding, snow  
29 tubing, snowshoeing, and similar snow sports and activities, whether  
30 engaged in outdoors or in an indoor facility with or without snow,  
31 but only in respect to discrete charges to the public for the use of  
32 land or facilities to engage in nonmotorized snow sports and  
33 activities, such as fees, however labeled, for the use of ski lifts  
34 and tows and daily or season passes for access to trails or other  
35 areas where nonmotorized snow sports and activities are conducted.  
36 However, fees for the following are not retail sales under this  
37 subsection (15) (a) (xix): (A) Instructional lessons; (B) permits  
38 issued by a governmental entity to park a vehicle on or access public  
39 lands; and (C) permits or leases granted by an owner of private

1 timberland for recreational access to areas used primarily for  
2 growing and harvesting timber; and

3 (xx) Scuba diving; snorkeling; river rafting; surfing;  
4 kiteboarding; flyboarding; water slides; inflatables, such as water  
5 pillows, water trampolines, and water rollers; and similar water  
6 sports and activities.

7 (b) Notwithstanding anything to the contrary in this subsection  
8 (15), the term "sale at retail" or "retail sale" does not include  
9 charges:

10 (i) Made for admission to, and rides or attractions at, fairs,  
11 carnivals, and festivals. For the purposes of this subsection, fairs,  
12 carnivals, and festivals are events that do not exceed 21 days and a  
13 majority of the amusement rides, if any, are not affixed to real  
14 property;

15 (ii) Made by an educational institution to its students and staff  
16 for activities defined as retail sales by (a)(i) through (xx) of this  
17 subsection. However, charges made by an educational institution to  
18 its alumni or other members of the general public for these  
19 activities are a retail sale under this subsection (15). For purposes  
20 of this subsection (15)(b)(ii), "educational institution" has the  
21 same meaning as in RCW 82.04.170;

22 (iii) Made by a vocational school for commercial diver training  
23 that is licensed by the workforce training and education coordinating  
24 board under chapter 28C.10 RCW; or

25 (iv) Made for day camps offered by a nonprofit organization or  
26 state or local governmental entity that provide youth not older than  
27 age 18, or that are focused on providing individuals with  
28 disabilities or mental illness, the opportunity to participate in a  
29 variety of supervised activities.

30 (16)(a) The term "sale at retail" or "retail sale" includes the  
31 purchase or acquisition of tangible personal property and specified  
32 services by a person who receives either a qualifying grant exempt  
33 from tax under RCW 82.04.767 or 82.16.320 or a grant deductible under  
34 RCW 82.04.4339, except for transactions excluded from the definition  
35 of "sale at retail" or "retail sale" by any other provision of this  
36 section. Nothing in this subsection (16) may be construed to limit  
37 the application of any other provision of this section to purchases  
38 by a recipient of either a qualifying grant exempt from tax under RCW  
39 82.04.767 or a grant deductible under RCW 82.04.4339, or by any other  
40 person.

1 (b) For purposes of this subsection (16), "specified services"  
2 means:

3 (i) The constructing, repairing, decorating, or improving of new  
4 or existing buildings or other structures under, upon, or above real  
5 property, including the installing or attaching of any article of  
6 tangible personal property therein or thereto, whether or not such  
7 personal property becomes a part of the realty by virtue of  
8 installation;

9 (ii) The clearing of land or the moving of earth, whether or not  
10 associated with activities described in (b)(i) of this subsection  
11 (16);

12 (iii) The razing or moving of existing buildings or structures;  
13 and

14 (iv) Landscape maintenance and horticultural services.

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HOUSE BILL 1681

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State of Washington

68th Legislature

2023 Regular Session

By Representatives Stearns, Lekanoff, Davis, Leavitt, Reeves, Pollet, and Orwall

Read first time 01/31/23. Referred to Committee on Regulated Substances & Gaming.

1 AN ACT Relating to problem gambling; amending RCW 41.05.750,  
2 67.70.340, 82.04.285, 82.04.286, and 9.46.071; creating a new  
3 section; providing an effective date; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

6 (a) The costs to society of problem gambling and gambling  
7 disorder include family disintegration, criminal activity, and  
8 financial insolvencies;

9 (b) Individuals experiencing problem gambling and gambling  
10 disorder are at significantly increased risks for other co-occurring  
11 disorders, including substance use disorder and mental health issues  
12 such as depression, anxiety, or other behavioral health concerns;

13 (c) Residents of Washington may participate in a variety of legal  
14 gambling activities such as the state-run lottery, tribal gaming by  
15 federally recognized tribes, and by commercially operated businesses  
16 and nonprofit organizations;

17 (d) A 2021 prevalence study found that among all adults, 1.5  
18 percent are at a moderate-to-severe risk for developing a gambling  
19 disorder, and among adults who gamble, 3.5 percent are at a moderate-  
20 to-severe risk of a gambling disorder;

1 (e) The 2022 problem gambling task force final report, delivered  
2 to the legislature in December 2022, determined there are critical  
3 gaps in providing state-funded comprehensive problem gambling  
4 services to Washington residents, including:

5 (i) Prevention efforts not coordinated with other behavioral  
6 health and substance abuse prevention initiatives;

7 (ii) Problem gambling treatment coverage is not available across  
8 the state; and

9 (iii) No state-supported residential treatment services are  
10 available in Washington state.

11 (2) The legislature intends to provide long-term, dedicated  
12 funding for prevention, public awareness efforts, and education  
13 regarding problem gambling disorder, clinical training, workforce  
14 development, and accessible treatment services for individuals  
15 impacted by problem gambling or gambling disorders as well as after-  
16 care support.

17 **Sec. 2.** RCW 41.05.750 and 2018 c 201 s 2004 are each amended to  
18 read as follows:

19 (1) A program for (a) the prevention and treatment of problem  
20 ~~((and pathological))~~ gambling and gambling disorder; and (b) the  
21 support, certification, and training of professionals in the  
22 identification and treatment of problem ~~((and pathological))~~ gambling  
23 and gambling disorder is established within the authority ~~((, to be~~  
24 ~~administered by a qualified person who has training and experience in~~  
25 ~~problem gambling or the organization and administration of treatment~~  
26 ~~services for persons suffering from problem gambling)).~~ The  
27 department of health may license or certify ~~((and the))~~ behavioral  
28 health agencies for problem gambling treatment. The authority may  
29 contract ~~((with treatment facilities))~~ for any services provided  
30 under the program. The authority shall ~~((track))~~ conduct a program  
31 evaluation, including tracking program participation and ~~((client))~~  
32 evaluating outcomes.

33 (2) To receive treatment under subsection (1) of this section, a  
34 person must:

35 (a) Need treatment for problem ~~((or pathological))~~ gambling or  
36 gambling disorder, or ~~((because of the problem or pathological~~  
37 ~~gambling of a family member, but be unable to afford treatment))~~ be  
38 impacted by a loved one experiencing problem gambling or gambling  
39 disorder; and

1 (b) Be (~~targeted~~) identified by the authority as being most  
2 amenable to and likely to benefit from treatment.

3 (3) Treatment under this section is available only to the extent  
4 of the funds appropriated or otherwise made available to the  
5 authority for this purpose. The authority may solicit and accept for  
6 use any gift of money or property made by will or otherwise, and any  
7 grant of money, services, or property from the federal government,  
8 any tribal government, the state, or any political subdivision  
9 thereof or any private source, and do all things necessary to  
10 cooperate with the federal government or any of its agencies or any  
11 tribal government in making an application for any grant.

12 (4) (a) The authority shall establish and facilitate an ongoing  
13 advisory committee (~~(to assist it in designing, managing, and~~  
14 ~~evaluating the effectiveness of the program established in this~~  
15 ~~section. The advisory committee shall give due consideration in the~~  
16 ~~design and management of the program that persons who hold licenses~~  
17 ~~or contracts issued by the gambling commission, horse racing~~  
18 ~~commission, and lottery commission are not excluded from, or~~  
19 ~~discouraged from, applying to participate in the program. The~~  
20 ~~committee shall include, at a minimum, persons knowledgeable in the~~  
21 ~~field of problem and pathological gambling and persons representing~~  
22 ~~tribal gambling, privately owned nontribal gambling, and the state~~  
23 ~~lottery.~~

24 ~~(5) For purposes of this section, "pathological gambling" is a~~  
25 ~~mental disorder characterized by loss of control over gambling,~~  
26 ~~progression in preoccupation with gambling and in obtaining money to~~  
27 ~~gamble, and continuation of gambling despite adverse consequences.~~  
28 ~~"Problem gambling" is an earlier stage of pathological gambling which~~  
29 ~~compromises, disrupts, or damages family or personal relationships or~~  
30 ~~vocational pursuits)) that will hold quarterly meetings to:~~

31 (i) Track progress of recommendations from the 2022 legislative  
32 problem gambling task force final report;

33 (ii) Provide advice and feedback on the state problem gambling  
34 program upon request by the authority; and

35 (iii) Discuss emerging issues related to problem gambling and  
36 identify possible strategies for improvement.

37 (b) The advisory committee membership must include, at a minimum,  
38 at least one representative from each of the following:

39 (i) The Washington state gambling commission;

40 (ii) The Washington state lottery commission;

1        (iii) The Washington state horse racing commission;  
2        (iv) The Washington state health care authority;  
3        (v) The tribal gambling industry;  
4        (vi) The commercial gambling industry;  
5        (vii) The gambling counselor certification committee;  
6        (viii) A nonprofit problem gambling organization; and  
7        (ix) The recovery community including at least one member with  
8        lived experience of problem gambling.

9        **Sec. 3.** RCW 67.70.340 and 2012 1st sp.s. c 10 s 6 are each  
10       amended to read as follows:

11       (1) The legislature recognizes that creating a shared game  
12       lottery could result in less revenue being raised by the existing  
13       state lottery ticket sales. The legislature further recognizes that  
14       the fund most impacted by this potential event is the Washington  
15       opportunity pathways account. Therefore, it is the intent of the  
16       legislature to use some of the proceeds from the shared game lottery  
17       to make up the difference that the potential state lottery revenue  
18       loss would have on the Washington opportunity pathways account. The  
19       legislature further intends to use some of the proceeds from the  
20       shared game lottery to fund programs and services related to problem  
21       ~~((and pathological))~~ gambling and gambling disorder.

22       (2) The Washington opportunity pathways account is expected to  
23       receive ~~((one hundred two million dollars))~~ \$102,000,000 annually  
24       from state lottery games other than the shared game lottery. For  
25       fiscal year 2011 and thereafter, if the amount of lottery revenues  
26       earmarked for the Washington opportunity pathways account is less  
27       than ~~((one hundred two million dollars))~~ \$102,000,000, the  
28       commission, after making the transfer required under subsection (3)  
29       of this section, must transfer sufficient moneys from revenues  
30       derived from the shared game lottery into the Washington opportunity  
31       pathways account to bring the total revenue up to ~~((one hundred two~~  
32       ~~million dollars))~~ \$102,000,000.

33       (3) (a) The commission shall transfer, from revenue derived from  
34       the shared game lottery, to the problem gambling account created in  
35       RCW ~~((43.20A.892))~~ 41.05.751, an amount equal to the percentage  
36       specified in (b) of this subsection of net receipts. For purposes of  
37       this subsection, "net receipts" means the difference between (i)  
38       revenue received from the sale of lottery tickets or shares and



1 revenue received from the sale of shared game lottery tickets or  
2 shares; and (ii) the sum of payments made to winners.

3 (b) In fiscal year (~~(2006)~~) 2024, the percentage to be  
4 transferred to the problem gambling account is (~~(one-tenth of one)~~)  
5 0.20 percent. In fiscal year (~~(2007)~~) 2025 and subsequent fiscal  
6 years, the percentage to be transferred to the problem gambling  
7 account is (~~(thirteen one-hundredths of one)~~) 0.26 percent.

8 (4) The commission shall transfer the remaining net revenues, if  
9 any, derived from the shared game lottery "Powerball" authorized in  
10 RCW 67.70.044(1) after the transfers pursuant to this section into  
11 the state general fund for support for the program of basic education  
12 under RCW 28A.150.200.

13 (5) The remaining net revenues, if any, in the shared game  
14 lottery account after the transfers pursuant to this section shall be  
15 deposited into the Washington opportunity pathways account.

16 **Sec. 4.** RCW 82.04.285 and 2014 c 97 s 303 are each amended to  
17 read as follows:

18 (1) Upon every person engaging within this state in the business  
19 of operating contests of chance; as to such persons, the amount of  
20 tax with respect to the business of operating contests of chance is  
21 equal to the gross income of the business derived from contests of  
22 chance multiplied by the rate of 1.5 percent.

23 (2) An additional tax is imposed on those persons subject to tax  
24 in subsection (1) of this section. The amount of the additional tax  
25 with respect to the business of operating contests of chance is equal  
26 to the gross income of the business derived from contests of chance  
27 multiplied by the rate of (~~(0.1)~~) 0.2 percent through June 30,  
28 (~~(2006)~~) 2024, and (~~(0.13)~~) 0.26 percent thereafter. The money  
29 collected under this subsection (2) shall be deposited in the problem  
30 gambling account created in RCW (~~(43.20A.892)~~) 41.05.751. This  
31 subsection does not apply to businesses operating contests of chance  
32 when the gross income from the operation of contests of chance is  
33 less than (~~(fifty thousand dollars)~~) \$50,000 per year.

34 (3) (a) For the purpose of this section, "contests of chance"  
35 means any contests, games, gaming schemes, or gaming devices, other  
36 than the state lottery as defined in RCW 67.70.010, in which the  
37 outcome depends in a material degree upon an element of chance,  
38 notwithstanding that skill of the contestants may also be a factor in

1 the outcome. The term includes social card games, bingo, raffle, and  
2 punchboard games, and pull-tabs as defined in chapter 9.46 RCW.

3 (b) The term does not include: (i) Race meet for the conduct of  
4 which a license must be secured from the Washington horse racing  
5 commission, (ii) "amusement game" as defined in RCW 9.46.0201, or  
6 (iii) any activity that is not subject to regulation by the gambling  
7 commission.

8 (4) "Gross income of the business" does not include the monetary  
9 value or actual cost of any prizes that are awarded, amounts paid to  
10 players for winning wagers, accrual of prizes for progressive jackpot  
11 contests, or repayment of amounts used to seed guaranteed progressive  
12 jackpot prizes.

13 **Sec. 5.** RCW 82.04.286 and 2005 c 369 s 6 are each amended to  
14 read as follows:

15 (1) Upon every person engaging within this state in the business  
16 of conducting race meets for the conduct of which a license must be  
17 secured from the Washington horse racing commission; as to such  
18 persons, the amount of tax with respect to the business of parimutuel  
19 wagering is equal to the gross income of the business derived from  
20 parimutuel wagering multiplied by the rate of (~~(0.1)~~) 0.2 percent  
21 through June 30, (~~(2006)~~) 2024, and (~~(0.13)~~) 0.26 percent thereafter.  
22 The money collected under this section shall be deposited in the  
23 problem gambling account created in RCW (~~(43.20A.892)~~) 41.05.751.

24 (2) For purposes of this section, "gross income of the business"  
25 does not include amounts paid to players for winning wagers, or taxes  
26 imposed or other distributions required under chapter 67.16 RCW.

27 (3) The tax imposed under this section is in addition to any tax  
28 imposed under chapter 67.16 RCW.

29 **Sec. 6.** RCW 9.46.071 and 2019 c 213 s 1 are each amended to read  
30 as follows:

31 (1) (~~(a)~~) The legislature recognizes that some individuals in  
32 this state (~~(have a gambling problem or)~~) are negatively impacted by  
33 problem gambling and gambling disorder. Because the state promotes  
34 and regulates gambling through the activities of the state lottery  
35 commission, the Washington horse racing commission, and the  
36 Washington state gambling commission, the state has the  
37 responsibility to continue to provide resources for the support of  
38 (~~(services for)~~) problem gambling (~~(and gambling disorders).~~

1       ~~(b) The~~) services. Therefore, the Washington state gambling  
2 commission, the Washington horse racing commission, and the state  
3 lottery commission shall ~~((jointly develop))~~ maintain placement of  
4 problem gambling and gambling disorder informational signs which  
5 include a toll-free ~~((hotline))~~ helpline number for ~~((individuals~~  
6 ~~with a gambling problem or))~~ problem gambling and gambling disorder.  
7 The signs shall be placed in the establishments of gambling  
8 licensees, horse racing licensees, and lottery retailers.

9       ~~((e))~~ The Washington state gambling commission, the Washington  
10 horse racing commission, and the state lottery commission may also  
11 contract with other qualified entities to provide public awareness,  
12 training, and other services to ensure the intent of this section is  
13 fulfilled.

14       ~~((d))~~ (2) Individuals and families impacted by ~~((a gambling))~~  
15 problem gambling or gambling disorder will benefit from the  
16 availability of a uniform self-exclusion program where people may  
17 voluntarily exclude themselves from gambling at multiple gambling  
18 establishments by submitting one self-exclusion form to the state  
19 from one location for all gambling activities. Therefore, the  
20 Washington state gambling commission must establish a statewide self-  
21 exclusion program for all licensees. The commission has discretion in  
22 establishing the scope, process, and requirements of the self-  
23 exclusion program, including denying, suspending, or revoking an  
24 application, license, or permit. However, the initial program must  
25 comply with the following minimum requirements:

26       ~~((i))~~ (a) The program must allow persons to voluntarily exclude  
27 themselves from gambling at authorized gambling establishments that  
28 offer house-banked social card games;

29       ~~((ii))~~ (b) The program must have a process for federally  
30 recognized Indian tribes or tribal enterprises that own gambling  
31 operations or facilities with class III gaming compacts to  
32 voluntarily participate in the self-exclusion program;

33       ~~((iii))~~ (c)(i) Any individual registered with the self-  
34 exclusion program created under this section is prohibited from  
35 participating in gambling activities associated with this program and  
36 forfeits all moneys and things of value obtained by the individual or  
37 owed to the individual by an authorized gambling establishment as a  
38 result of prohibited wagers or gambling activities. The commission  
39 may adopt rules for the forfeiture of any moneys or things of value,  
40 including wagers, obtained by an authorized gambling establishment

1 while an individual is registered with the self-exclusion program  
2 created under this section.

3 (ii) Moneys and things of value forfeited under the self-  
4 exclusion program must be distributed to the problem gambling account  
5 created in RCW 41.05.751 and/or a charitable or nonprofit  
6 organization that provides problem gambling services or increases  
7 awareness about problem gambling pursuant to rules adopted by the  
8 commission; and

9 ~~((iv))~~ (d) The commission must adopt rules establishing the  
10 self-exclusion program by June 30, 2021.

11 ~~((e))~~ (3) An individual who participates in the self-exclusion  
12 program does not have a cause of action against the state of  
13 Washington, the commission, or any gambling establishment, its  
14 employees, or officers for any acts or omissions in processing or  
15 enforcing the requirements of the self-exclusion program, including a  
16 failure to prevent an individual from gambling at an authorized  
17 gambling establishment.

18 ~~((f))~~ (4) Any personal information collected, stored, or  
19 accessed under the self-exclusion program may only be used for the  
20 administration of the self-exclusion program and may not be  
21 disseminated for any purpose other than the administration of the  
22 self-exclusion program.

23 ~~((2))~~ (5)(a) During any period in which RCW 82.04.285(2) is in  
24 effect, the commission may not increase fees payable by licensees  
25 under its jurisdiction for the purpose of funding services for  
26 problem gambling and gambling disorder. Any fee imposed or increased  
27 by the commission, for the purpose of funding these services, before  
28 July 1, 2005, has no force and effect after July 1, 2005.

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

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

35 (ii) The commission may increase fees payable by licensees under  
36 its jurisdiction for the purpose of funding the problem gambling and  
37 gambling disorder services authorized in this section.

38 NEW SECTION. **Sec. 7.** If any provision of this act or its  
39 application to any person or circumstance is held invalid, the

1 remainder of the act or the application of the provision to other  
2 persons or circumstances is not affected.

3 NEW SECTION. **Sec. 8.** This act is necessary for the immediate  
4 preservation of the public peace, health, or safety, or support of  
5 the state government and its existing public institutions, and takes  
6 effect July 1, 2023.

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HOUSE BILL 1707

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State of Washington

68th Legislature

2023 Regular Session

By Representatives Kloba, Reed, and Eslick

Read first time 02/01/23. Referred to Committee on Regulated Substances & Gaming.

1 AN ACT Relating to bingo conducted by bona fide charitable or  
2 nonprofit organizations; and amending RCW 9.46.0205.

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

4 **Sec. 1.** RCW 9.46.0205 and 2002 c 369 s 1 are each amended to  
5 read as follows:

6 "Bingo," as used in this chapter, means a game (~~conducted only~~  
7 ~~in the county within which the organization is principally located~~)  
8 in which prizes are awarded on the basis of designated numbers or  
9 symbols on a card conforming to numbers or symbols selected at random  
10 and in which no cards are sold except at the time and place of  
11 (~~said~~) the game, when (~~said~~) the game is conducted by a bona fide  
12 charitable or nonprofit organization, or if an agricultural fair  
13 authorized under chapters 15.76 and 36.37 RCW, which does not conduct  
14 bingo on more than twelve consecutive days in any calendar year, and  
15 except in the case of any agricultural fair as authorized under  
16 chapters 15.76 and 36.37 RCW, no person other than a bona fide member  
17 or an employee of said organization takes any part in the management  
18 or operation of said game, and no person who takes any part in the  
19 management or operation of said game takes any part in the management  
20 or operation of any game conducted by any other organization or any  
21 other branch of the same organization, unless approved by the

1 commission, and no part of the proceeds thereof inure to the benefit  
2 of any person other than the organization conducting said game. (~~For~~  
3 ~~the purposes of this section, the organization shall be deemed to be~~  
4 ~~principally located in the county within which it has its primary~~  
5 ~~business office. If the organization has no business office, the~~  
6 ~~organization shall be deemed to be located in the county of principal~~  
7 ~~residence of its chief executive officer: PROVIDED, That any~~  
8 ~~organization which is conducting any licensed and established bingo~~  
9 ~~game in any locale as of January 1, 1981, shall be exempt from the~~  
10 ~~requirement that such game be conducted in the county in which the~~  
11 ~~organization is principally located)) The bona fide charitable or  
12 nonprofit organization must be principally located in the state of  
13 Washington and may not be approved for more than three licenses to  
14 conduct bingo activities.~~

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