



Notice of Permanent Rule Changes Related to Use of Debit Card to Purchase Chips

This explanatory statement concerns the Washington State Gambling Commission's amendments to:

- WAC 230-03-200 Defining "gambling equipment."
- WAC 230-06-035 Credit, loans, or gifts prohibited.
- WAC 230-15-150 Selling and redeeming chips.
- WAC 230-15-280 Surveillance requirements for house-banked card games.
- WAC 230-15-500 Accounting for table inventory.
- WAC 230-15-505 Selling gambling chips to players.
- WAC 230-15-585 Using drop boxes.
- WAC 230-15-615 Conducting the count.
- WAC 230-15-620 Concluding the count.

And adoption of:

- WAC 230-06-006 Defining "debit card."
- WAC 230-15-151 Accepting checks in exchange for chips at non-house-banked card games.
- WAC 230-15-506 Using debit cards to purchase chips on house-banked card games.
- WAC 230-15-507 Debit card reading devices used on house-banked card games.

The Administrative Procedure Act ([RCW 34.05.325\(6\)](#)) requires agencies to complete a concise explanatory statement before filing amended rules with the Office of the Code Reviser. This statement must be sent to anyone who provided comments about the proposed rulemaking.

Once persons who gave comment during this rule-making process have had an opportunity to receive this document, the Washington State Gambling Commission will file the amended rules with the Office of the Code Reviser. These changes will become effective on June 18, 2023.

The Washington State Gambling Commission appreciates the public's involvement in the rule-making process. If there are any questions, please contact the WSGC Rules Coordinator at rules.coordinator@wsgc.wa.gov or at (360) 486-3454.

What are the agency's reasons for adopting these rules?

The Gambling Commission received a petition asking to amend WAC 230-15-150, Selling and redeeming chips, to allow chips to be sold using debit cards. The change to allow for debit transactions required additional changes to rules to include:

- Classifying debit card reading devices as gambling equipment;

- Defining debit card;
- Describing procedures regarding how debit cards can be used to purchase chips on house-banked card games;
- Describing technical controls related to debit card reading devices on house-banked card games;
- Updating language on authorized payment methods for gambling to include debit cards;
- Updating language on how chips maybe sold to players at house-banked gaming tables;
- Clarifying payment methods utilizing checks for non-house-banked card gaming tables;
- Requiring surveillance coverage for debit card reading devices at gaming tables;
- Updating language on how table inventory is accounted for;
- Clarifying what items are placed in drop boxes to include debit card transactions receipts; and,
- Updating language related to soft count procedures, which includes debit card transactions receipts.

The Rule Development Process

The Commission received a petition in April 2022, and Commissioners agreed to initiate rulemaking at their May 2022 Commission meeting. Staff filed the CR-101 with the code reviser on May 19, 2022. Staff held a stakeholder meeting and a separate Tribal partner meeting on September 28, 2022, where the debit card at the table, centralized surveillance, and increasing wager limits at house-banked card rooms were on the agenda for public feedback.

After receiving a sample of the proposed device and understanding how it worked, staff drafted amendments to some rules and, in some cases, new rules. This package of new and amended rules was presented to Commissioners at the March 9-10, 2023 Commission meeting. With one change, Commissioners approved the amended and new rules, and staff filed the CR-102 with the proposed rules on March 20, 2023. Commissioners discussed the rule again at the April 11, 2023 Commission meeting. The rule-making hearing on the proposed new and amended rules was held at the regular Commission meeting on May 11, 2023. As is its practice, the Commission also welcomed public comments via email and through a webform on the Commission’s website.

Summary of all public comments received on this rule proposal and consideration of the comments. If we responded to comments, add our response and how the final rule reflects consideration of the comments or why it fails to do so.

The 14 industry participants at the stakeholder meeting on September 28, 2022 were supportive of the petition.

Tribal partners at their September 28, 2022 meeting expressed concern about whether the use of debit cards and other innovations discussed at the meeting (centralized surveillance and increase of wager limits) would be an expansion of gambling and, therefore, outside the scope of the legislature’s intent.

WSGC RESPONSE: The Commission appreciates these comments. The authority to allow the use of debit cards as a payment method is established by RCW 9.46.070, which gives the Commission the authority to adopt rules and regulations to regulate the manner of conducting gambling activities authorized by RCW 9.46. The Commission believes that the rule is within its statutory authority.

Tribal partners were also concerned about the implications of the proposed innovations on problem gambling. Paul Milbourn, no affiliated organization noted, also sent an email on September 29, 2022 opposing the authorization of debit cards to purchase gaming chips due to the impacts it could have on problem gamblers. At the March 2023 Commission meeting, Assistant Director of the Evergreen Council on Problem Gambling Tana Russell also pointed to a recent study she had read about how agency-imposed limit-setting devices and tools [associated with debit cards] can often be less effective than self-imposed limits.

WSGC RESPONSE: The Commission appreciates these comments and takes problem gambling concerns seriously. WAC 230-15-506 includes several conditions for the use of debit cards intended to put limits on single and aggregated transactions in a 24-hour period and to display problem gambling signage and messages.

If there are variances from the proposed rule and final adopted rule, state the reasons for the differences (RCW 34.05.325(6)(a)(ii)).

There are no variances from the proposed rules and the final adopted rules.