



Notice of Permanent Rule Changes Related to Card Games.

This explanatory statement concerns the Washington State Gambling Commission's - Amendment of:

- WAC 230-15-030- Authorized nonhouse-banked card games.
- WAC 230-15-035- Authorizing new games or changing game rules.
- WAC 230-15-040- Requirements for authorized house-banked card games.
- WAC 230-15-055- Limit on number of players at each table.
- WAC 230-15-060- Posting rules for play.
- WAC 230-15-065- Enforcement of card game rules of play.
- WAC 230-15-140- Wagering limits on house-banked card games.
- WAC 230-15-141- Additional merchandise or cash prizes for card games.
- WAC 230-15-455- Keeping funds to pay prizes, ~~progressive jackpot prizes, and odds-based wager prizes.~~
- WAC 230-15-490- ~~Limiting pay outs for odds-based wagers~~ Aggregate payout limits for odds-based prizes.
- WAC 230-15-491- Limiting payouts to dealers for tip or "toke" wagers for odds-based payouts.
- WAC 230-15-680- Operating progressive jackpot prizes.
- WAC 230-15-685- Restrictions on progressive jackpots.
- WAC 230-15-695- Adjusting progressive jackpot amounts.
- WAC 230-15-700- Merchandise prizes for progressive jackpots.
- WAC 230-15-710- Permanently removing a progressive jackpot ~~or a portion of a progressive jackpot game~~ from play.
- WAC 230-15-715- Tax authorities seizing all, or a portion, of a progressive jackpot.
- WAC 230-15-720- Deposit and reconciliation requirements for progressive jackpot prizes.

Repeal of:

- WAC 230-15-105- Only authorized cards or chips may be used.
- WAC 230-15-705- Temporarily removing a progressive jackpot from play.

Adoption of:

- WAC 230-15-671- Jackpot prizes.

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 provided to anyone who provided comments regarding the proposed rule-making.

Once persons who provided comments during this rulemaking have had an opportunity to receive this document, the Washington State Gambling Commission will file the adopted rule with the Office of the Code Reviser. These changes will become effective on or after June 14, 2021.

The Washington State Gambling Commission appreciates your involvement in the rule-making process. If you have any questions, please contact Ashlie Laydon, Rules Coordinator, at ashlie.laydon@wsgc.wa.gov or (360) 486-3473.

What are the agency's reasons for these rule changes?

The purpose of these rule changes is to address and clarify the offering of jackpot prizes with approved house-banked card games, authorizing new card games, authorizing changes to existing card games, requirements for card games, wagering, adding merchandise and cash to card games, minimum cash on hand requirements, paying out prizes, and maintaining funds to pay prizes.

The following rules were amended:

- **WAC 230-15-030**- Authorized nonhouse-banked card games- to outline requirements for approval of a nonhouse-banked card game other than those listed in the rule,
- **WAC 230-15-035**- Authorizing new games or changing game rules, to specify a process for authorizing new games or making changes to existing games,
- **WAC 230-15-040**- Requirements for authorized house-banked card games, to specify that this rule applies to house-banked card games and to specify the requirements for authorized house-banked card games to include limiting and defining “wagering areas,” removing the limit on the number of separate games within a single hand of cards, identifying house jackpots as a “separate game,” and allowing features that were previously authorized,
- **WAC 230-15-055**- Limit on number of players at each table, to clarify that only one player can place a wager in a wagering area,
- **WAC 230-15-060**- Posting rules for play, to clarify requirements for posting rules of play,
- **WAC 230-15-065**- Enforcement of card game rules of play, to clarify “(2) Second Priority” rules,
- **WAC 230-15-140**- Wagering limits on house-banked card games, to clarify where wagers are placed and wagers already allowed, such as tip wagers, and as approved in the game rules,
- **WAC 230-15-141**- Additional merchandise or cash prizes for card games, to clarify our current processes and simplify language,
- **WAC 230-15-455**- Keeping funds to pay prizes, ~~progressive jackpot prizes, and odds-based wager prizes,~~ to make language more concise and to move language to WAC 230-15-720- Deposit and reconciliation requirements for progressive jackpot prizes, where it is more applicable,

- **WAC 230-15-490**- ~~Limiting pay-outs for odds-based wagers~~ Aggregate payout limits for odds-based prizes, to define “aggregate payout limits” and describe how aggregate payouts are calculated,
- **WAC 230-15-491**- Limiting payouts to dealers for tip or “toke” wagers for odds-based payouts, to be consistent with amendments made to WAC 230-15-490- Aggregate payout limits for odds-based prizes,
- **WAC 230-15-680**- Operating progressive jackpot prizes, to clarify how to operate progressive jackpot prizes,
- **WAC 230-15-685**- Restrictions on progressive jackpots, to clarify restrictions when operating “connected” progressive jackpots,
- **WAC 230-15-695**- Adjusting progressive jackpot amounts, to clarify responsibilities of licensees when adjusting progressive jackpot amounts,
- **WAC 230-15-700**- Merchandise prizes for progressive jackpots, to clarify when and how licensee may offer merchandise prizes on progressive jackpot card games,
- **WAC 230-15-710**- Permanently removing a progressive jackpot ~~or a portion of a progressive jackpot~~ game from play, to detail the process for removing a progressive jackpot from play,
- **WAC 230-15-715**- Tax authorities seizing all, or a portion, of a progressive jackpot, to add clarifying language, and
- **WAC 230-15-720**- Deposit and reconciliation requirements for progressive jackpot prizes, to clarify deposit and reconciliation requirements for responsibilities of licensees operating progressive jackpot prizes.

The following rules were repealed:

- **WAC 230-15-105**- Only authorized cards or chips may be used, because it contradicts other rules (WAC 230-15-100- Providing cards and chips in card games and WAC 230-15-110- Standards for chips), and
- **WAC 230-15-705**- Temporarily removing a progressive jackpot from play, because guidance for permanently removing a progressive jackpot is provided in WAC 230-15-710- Permanently removing a progressive jackpot game from play.

The following rule was adopted:

- **WAC 230-15-671**- Jackpot prizes, to provide clarity and requirements for types of authorized jackpots.

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.

Draft language was sent out to house-banked card room licensees and manufacturers and distributors of card games and/or equipment on December 24, 2020. A stakeholder meeting

was convened on January 13, 2021. Additional edits were made to the language based on feedback received during and following the January 13, 2021 meeting.

Public Comment:

David Matthews, Gaming Operations Manager, Last Frontier Casino

“No challenges or concerns with any of the proposed changes. From an operational standpoint, if these changes are implemented, they will be a big help in understanding the WAC’s that have been addressed.”

Victor Mena

Recommended edits for WAC 230-15-455- Keeping funds to pay prizes, and WAC 230-15-671- Jackpot prizes, to further clarify language. Staff took suggestions into consideration.

Erika DiNapoli, Senior Product Compliance Engineer, Scientific Games

Expressed concerns with proposed changes to WAC 230-15-040- Requirements for authorized house-banked card games. Staff decided not to move forward with proposed changes, thereby alleviating concerns.

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)).

None.