Washington State Gambling Commission

Date: January 19, 2021



Concise Explanatory Statement

Notice of Permanent Rule Changes Related to defining "scientific" as used in RCW 9.46.0209.

This explanatory statement concerns the Washington State Gambling Commission's adoption of WAC 230-03-133- Defining "scientific."

The Administrative Procedure Act (<u>RCW 34.05.325(6)</u>) 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 February 19, 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 adopting these rules?

Senate Bill 6120 was signed by Governor Jay Inslee on March 26, 2020 which amended RCW 9.46.0209(1)(i) to include "scientific" to the list of purposes of which a bona fide charitable or nonprofit organization may be organized and operating and therefore qualify for licensure to operate gambling activities authorized under the Gambling Act. The Gambling Commission needed to adopt a rule defining "scientific" for charitable and nonprofit applicants.

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.

Initial draft language sent out to stakeholders for review included an additional subsection: "(4) Aiding a community or geographical area by attracting new industry to the community or area."

Several of the public comments received were regarding this subsection. This subsection was removed by the Commissioners at their November public meeting prior to filing the proposed rule with the Office of the Code Reviser.

Public Comment:

Craig H. Johnson expressed concern that the language is too restrictive and that subsections (1) through (4) should not be limited to the purposes of scientific research.

<u>Response</u>: The Gambling Commission believes the definition for scientific in this rule meets the purpose for the agency asking the Legislature and then having this term added to the list of approved nonprofit purposes in RCW 9.46.0209. The agency believes a nonprofit organization should be able to be approved for one or more of the other twelve purposes in RCW 9.46.0209, if a nonprofit organization is not covered under this new scientific definition.

Lola Ross submitted a comment questioning why a scientific group would obtain a gambling license and what subsection (4) has to do with science.

Response: The Gambling Commission understands that some scientific organizations, or nonprofit organizations that have a scientific component to their purpose, wish to conduct raffles as a way to raise revenues for the nonprofit's organizational purpose. In getting this purpose added to the statute in 2020, the agency is aware that some organizations who it believed were not qualified due to the exclusion of this term are now qualified and can obtain a raffle license if all other licensing requirements are met.

FOE 03602 submitted a comment that this does not seem like something that would be made a nonprofit for the purpose of gambling activities.

Response: Please see the above agency responses.

Ron Fryer questioned subsection (4) and suggested that if it were eliminated, the purpose would become clear and more palatable to the public as well as the nonprofit community.

<u>Response</u>: The agency addressed this subsection when the agency's Commissioners removed subsection (4) before filing the language for review in the agency's CR-102.

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.