Washington State Gambling Commission

Date: December 20, 2021





Notice of Permanent Rule Changes Related to Applying for a Gambling Service Supplier License.

This explanatory statement concerns the Washington State Gambling Commission's Amendment of WAC 230-03-210- Applying for a gambling service supplier license.

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 January 20, 2022.

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?

In 2020, Commissioners initiated rulemaking to amend and adopt rules for both sports wagering and electronic raffles. Tribal-state sports wagering compact amendments require sports wagering systems be tested and certified by an independent testing lab to ensure that they meet or exceed GLI-33 standards and provisions outlined in compact and appendices. Independent testing labs must be licensed by both the tribe and the state. Therefore, WAC 230-03-210, Applying for a gambling service supplier license, needs to be amended to include performing the testing and certification of sports wagering systems as a service requiring licensure.

WAC 230-11-305, Electronic raffle systems, requires an independent testing lab, licensed by us, to perform testing and certification of electronic raffle systems to ensure the system meets or exceeds GLI-31 standards and complies with Washington gambling laws and rules before the electronic raffle systems will be authorized to be brought into this state. Therefore, WAC 230-03-210, Applying for a gambling service supplier license, needs to be amended to include performing the testing and certification of gambling equipment as required by Title 230 WAC as a service requiring licensure.

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 independent testing labs who hold a license in this state and to tribal representatives and leaders on September 9, 2021. Draft language was filed with the Office of the Code Reviser on October 19, 2021 (WSR 21-21-093) and posted on the agency website.

Public Comment:

BMM TestLabs

Comments received on September 9, 2021 referencing the following:

Question whether the addition of sports wagering systems testing will be appended to existing licenses or if action will be required by independent testing labs to include this scope of testing.

<u>Response:</u> Existing gambling service supplier licenses will cover these additional services.

Gaming Laboratories International

Comments received on September 15, 2021 referencing the following:

No concerns with revised language and intent for licensing.

Response: No response.

Eclipse Compliance Testing

Comments received on September 13, 2021 referencing the following:

No issue with the proposed language. Look forward to serving the testing needs for sports wagering systems and gambling equipment in addition to the testing they have been providing for many years.

Response: No response.

Suguamish Tribal Gaming Commission

Verbal comments received on September 10, 2021 referencing the following: Seeking clarification on whether independent testing labs would need to obtain a sports wagering vendor license in addition to the license they currently hold in order to perform testing of sports wagering systems.

Response: Independent testing labs will not need to obtain a sports wagering vendor license unless they provide services listed in WAC 230-03-229- Applying for a major sports wagering vendor license, WAC 230-03-231- Applying for a mid-level sports wagering vendor license, or WAC 230-03-233- Applying for an ancillary sports wagering vendor license.

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.