



Concise Explanatory Statement

Notice of New Rule Changes Related to Adjacent Cardrooms

This explanatory statement concerns the Washington State Gambling Commission's new rule:

- WAC 230-03-182 Additional requirements for nonhouse-banked, Class F, and house-banked card rooms.

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 23, 2024.

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

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

The Washington State Gambling Commission initiated rulemaking on additional requirements for nonhouse-banked, Class F, and house-banked card rooms in October 2023 after staff suggested changes related to the above rule. The rule currently establishes conditions under which card rooms cannot be adjacent to each other; however, staff believed there was a need to further clarify under which limited conditions nonhouse-banked, Class F, and house-banked card rooms can be adjacent to each other. This rulemaking aims to address that goal by:

- Adding clarifying language to ensure that adjacent card rooms operate as separate and distinct licensed business premises.
- Reclassifying this rule in Chapter 230-03, which relates to pre-licensing procedures, rather than in Chapter 230-06, which relates to rules for all licenses.

To accomplish this movement between chapters, the Commission repealed WAC 230-06-046 and approved filing of the new rule WAC 230-03-182.

The Rule Development Process

This rule package was originally proposed by the Washington State Gambling Commission at the October 19, 2023, commission meeting. Commissioners approved initial rulemaking on the same date and staff filed the CR-101 with the code reviser on October 27, 2023. This rule was a topic of discussion at the January 11, 2024, Commission meeting where Commissioners approved filing the proposed new rule. The CR-102 reflecting the proposed new rule was filed with the code reviser on January 12, 2024. This rule was a topic of discussion at the February 8, 2024,

commission meeting as well. This rule was again a topic of discussion at the commission meeting on March 14, 2024, where commissioners approved re-filing the CR-102 with amended language. The corresponding CR-102 was filed on March 18, 2024. The rule-making hearing on the proposed rule was held at the Commission meeting on May 9, 2024, where the Commission allowed an opportunity for additional public comment and gave final approval to the proposed rule changes. As is its practice, the Commission also welcomed public comments via email and through a webform on the Commission's website.

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)).

The original CR-102 was filed on January 12, 2024, with attached proposed language for the new rule WAC 230-03-182. Section (C)(2) of this new rule states:

Subsection (1) of this section does not apply to nonhouse-banked, Class F, and house-banked card room physical locations that have any of the features listed in subsection (1) of this section and were licensed as of July 1, 2018. The provisions of subsection (1) of this section will take effect upon the issuance of a new license.

A second CR-102 was filed on March 18, 2024, after commissioners elected to strike the last sentence of the above rule. The adopted version of WAC 230-03-182(C)(2) states:

Subsection (1) of this section does not apply to nonhouse-banked, Class F, and house-banked card room physical locations that have any of the features listed in subsection (1) of this section and were licensed as of July 1, 2018.

Summary of all public comments received on this rule proposal.

January 11, 2024 Commission Meeting

Eric Persson, owner of Maverick Gaming, spoke at the January commission meeting to express concern with the proposed changes. Specifically, Mr. Persson was concerned that the new proposed rule would affect the value of the existing adjacent cardrooms that Maverick Gaming owns in Kirkland, Washington.

January 15, 2024 E-mail

Vicki Christopherson wrote an email on January 15, 2024, to suggest possible language for the new rule on additional requirements for nonhouse-banked, Class F, and house-banked card rooms.

February 8, 2024 Commission Meeting

Eric Persson, owner of Maverick Gaming, again spoke at the February commission meeting to express concern with the proposed new rule. Mr. Persson stated that he believes the rule changes would violate his 5th amendment rights, saying that the law amounts to property taking.

WSGC Response:

The Gambling Commission acknowledges the above comments and appreciates the feedback. The Commission believes the final rule addresses those concerns referenced above while also accomplishing the commission's goal of clarifying the rule language to ensure that adjacent card rooms operate as separate and distinct licensed business premises and reclassifying the rule into the appropriate chapter of the WAC.