



Staff Proposed Rule-Making

WAC 230-03-210- Applying for a gambling service supplier license.

**October 2021 – Discussion & Possible Filing
January 2020/July 2020 – Initiated Rule-Making**

Tab 5: OCTOBER 2021 Commission Meeting Agenda.	Statutory Authority 9.46.070
Who Proposed the Rule Change?	
Washington State Gambling Commission Staff	
Background	
<p>BOLD= Changes made after July 2020 Commission Meeting.</p> <p>In 2020, Commissioners initiated rule-making to amend and adopt rules for both electronic raffles and sports wagering.</p> <p><u>Sports Wagering</u></p> <p>In July 2021, you chose to take final action on rules to address licensing and regulation, and licensing fees consistent with the Gambling Act and recently negotiated tribal-state sports wagering compact amendments. As part of these compact amendments, sports wagering systems need to be tested and certified by an independent testing lab to ensure they meet or exceed GLI-33 standards and provisions outlined in Compact and Appendices. Independent Testing Labs must be licensed by both the Tribe(s) and the Gambling Commission. We do this through a gambling service supplier license, and therefore WAC 230-03-210, Applying for a gambling service supplier license, must be amended to include performing the testing and certification of sports wagering systems as a service requiring a gambling service supplier license.</p> <p><u>Electronic Raffles</u></p> <p>WAC 230-11-305- Electronic raffle systems, is before you today for final action. This rule 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 and complies with Washington gambling laws and rules before the electronic raffle system will be authorized to be brought into this state. Therefore, amending WAC 230-03-210, Applying for a gambling service supplier license, to include performing the testing and certification of gambling equipment as required by Title 230 WAC will cover the testing of electronic raffle systems and any future gambling equipment we may require certification by an independent testing lab.</p> <p>Attachments:</p> <ul style="list-style-type: none"> • WAC 230-03-210 • Stakeholder Feedback 	

Stakeholder Outreach and Feedback

Draft language was sent out on September 9, 2021 to independent testing labs who hold a license in this state and to tribal stakeholders. Feedback was received from:

- **Derek Smith, BMM Testlabs**
- **James Luccarelli, Gaming Laboratories International**
- **Judy Mihelcic, Eclipse Compliance Testing**
- **Steve Bolz, Suquamish Tribal Gaming Commission (verbal)**

Feedback received was either supportive of the proposed changes or was seeking clarification on whether the proposed changes would require independent testing labs to obtain a new license to perform these addition services. Existing gambling service supplier licenses will cover these services. Independent testing labs will not need to obtain a sports wagering vendor license unless they are providing services listed in WAC 230-03-229, WAC 230-03-231, or WAC 230-03-233.

Staff Recommendation

Staff recommends filing draft language for further discussion.

WAC 230-03-210 Applying for a gambling service supplier license.

(1) You must apply for a gambling service supplier license if you perform any of the following gambling-related services for compensation:

(a) Consulting or advisory services regarding gambling activities; or

(b) Gambling management services; or

(c) Financing for more than one licensee for purchases or leases of gambling equipment or financing for providing infrastructure or facilities, or equipment that supports gambling operations:

(i) Once you have financed more than one licensee, you must be a licensed gambling service supplier until all loans with licensees or previous licensees are paid; or

(ii) Once you have been a licensed gambling service supplier, you must be licensed as a gambling service supplier again before financing purchases or leases for any licensee; or

(d) Acting as a lending agent, or loan servicer, or placement agent; or

(e) Providing the assembly of components for gambling equipment under a contract with a licensed manufacturer or entering into an ongoing financial arrangement for gambling related software with a licensed manufacturer; or

(f) Installing, integrating, maintaining, or servicing digital surveillance systems that allow direct access to the operating system; or

(g) Training individuals to conduct authorized gambling activities; or

(h) Providing any other service or activity where influence may be exerted over any gambling activity licensed by the commission; or

(i) Performing the testing and certification of tribal lottery systems and sports wagering systems in meeting requirements specified in ~~((the))~~ tribal-state compact; or

(j) Performing the testing and certification of gambling equipment as required by Title 230 WAC; or

(k) Providing nonmanagement-related recordkeeping or storage services for punch board and pull-tab operators, when the combined total gross billings from such services exceed ~~((thirty thousand dollars))~~ \$30,000 during any permit period or license year.

(2) You do not need a gambling service supplier license if you are:

(a) A bank, mutual savings bank, or credit union regulated by the department of financial institutions or any federally regulated commercial lending institution; or

(b) A university or college regulated by the Washington state board of community and technical colleges and the higher education coordinating board that trains individuals to conduct authorized gambling activities; or

(c) An attorney, accountant, or governmental affairs consultant whose primary business is providing professional services that are unrelated to the management or operation of gambling activities; or

(d) A person who only provides nonmanagement-related recordkeeping or storage services for punch board and pull-tab operators, when the combined total gross billings from such services do not exceed ~~((thirty thousand dollars))~~ \$30,000 during any permit period; or

(e) A person who provides names, images, artwork or associated copyrights, or trademarks, or patent use, or other features that do not affect the results or outcome of the game, for use in gambling equipment; or

(f) Regulated lending institutions; or

(g) A licensed distributor who provides any of the following services for compensation:

(i) Training to licensed and potential punch board/pull-tab operators; or

(ii) Providing assistance to gambling license applicants or licensees seeking gambling license renewal.

Stakeholder Feedback

From: [Derek Smith](#)
To: [Laydon, Ashlie \(GMB\)](#)
Subject: RE: Proposed changes to WAC 230-03-210
Date: Thursday, September 9, 2021 5:32:19 PM
Attachments: [image003.png](#)
[image005.png](#)

External Email

Greeting Ashlie!

I hope you've been well. Our internal team here at BMM shared your email below with the draft. It looks fairly straight-forward, but did raise a question. Will this addition of sports wagering systems testing be appended to existing licenses or will an action be required to include this in our scope of testing?

On a separate but related note, would it be possible to include my BMM email (Derek.Smith@BMM.com) for these distributions? I assume SciGames requested you remove my SG email (derek.smith@scientificgames.com) after my departure. If not, please feel free to do so.

Thanks much,
Derek Smith | VP, Technical Compliance
BMM Testlabs | t: +1 702 407 2420 x1017 | m: +1 775 247 8290
derek.smith@bmm.com | www.bmm.com

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From: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>
Sent: Thursday, September 9, 2021 9:51 AM
Cc: Rancour, Michelle (GMB) <michelle.rancour@wsgc.wa.gov>; LaMont, Jennifer (GMB) <jennifer.lamont@wsgc.wa.gov>
Subject: Proposed changes to WAC 230-03-210

Good morning,

The Gambling Commission is considering amending WAC 230-03-210- Applying for a gambling service supplier license, to include performing testing and certification of sports wagering systems and other gambling equipment as required by Title 230 WAC, such as electronic raffle systems, as gambling-related services requiring a service supplier license.

Please review the proposed changes (attached) and submit feedback to ashlie.laydon@wsgc.wa.gov

by close of business on Friday, September 17, 2021. Feel free to contact me if you have any questions.

Thank you,

Ashlie Laydon

Rules Coordinator | Legal and Records Division

Washington State Gambling Commission

P.O. Box 42400 | Olympia, WA 98504-2400

☎ (360) 486-3473 | ✉ ashlie.laydon@wsgc.wa.gov



Washington State
GAMBLING
COMMISSION

Protect the public by ensuring that gambling is legal and honest.



From: [James Luccarelli](#)
To: [Laydon, Ashlie \(GMB\)](#)
Cc: [Diana Golda](#)
Subject: Proposed changes to WAC 230-03-210
Date: Wednesday, September 15, 2021 11:43:15 AM

External Email

Hello Ashlie,

Thank you for reaching out to GLI regarding the proposed amendment. We have reviewed the proposed changes and have no concerns with the revised language and intent for licensing. I have included Diana Golda, our Senior Director of Regulatory Compliance on this email in the event further action or support with respect to licensing is needed from GLI now or in the near future.

“The Gambling Commission is considering amending WAC 230-03-210- Applying for a gambling service supplier license, to include performing testing and certification of sports wagering systems and other gambling equipment as required by Title 230 WAC, such as electronic raffle systems, as gambling-related services requiring a service supplier license.

Please review the proposed changes (attached) and submit feedback to ashlie.laydon@wsgc.wa.gov by close of business on Friday, September 17, 2021. Feel free to contact me if you have any questions.”

(i) Performing the testing and certification of tribal lottery systems and sports wagering systems in meeting requirements specified in tribal-state compact; or

(j) Performing the testing and certification of gambling equipment as required by Title 230 WAC; or

Thank you,
Jim

James Luccarelli
Sr. Manager Technical Compliance

www.gaminglabs.com

o 732-942-3999 EXT 1223

d 732-719-1351

c 908-814-0011

e j.luccarelli@gaminglabs.com



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From: [Judy](#)
To: [Laydon, Ashlie \(GMB\)](#)
Subject: RE: Proposed changes to WAC 230-03-210
Date: Monday, September 13, 2021 6:15:42 AM
Attachments: [image009.png](#)
[image011.png](#)

External Email

Dear Ashlie:

We have reviewed the proposed changes to WAC 230-03-210 and see no issue with the amended language. Additionally we look forward to serving the testing needs for Sports Wagering Systems and Gambling Equipment in addition to the testing that we have been providing for many years.

Sincerely,

Judith Mihelcic

Office Administrator

(440) 914-TEST (8378)

JudyM@eclipsetesting.com

www.EclipseTesting.com

eclipse Compliance Testing

6401 Davis Industrial Parkway

Solon, Ohio 44139



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From: Laydon, Ashlie (GMB) [mailto:ashlie.laydon@wsgc.wa.gov]
Sent: Thursday, September 09, 2021 12:51 PM
Cc: Rancour, Michelle (GMB); LaMont, Jennifer (GMB)
Subject: Proposed changes to WAC 230-03-210

Good morning,

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Please review the proposed changes (attached) and submit feedback to ashlie.laydon@wsgc.wa.gov by close of business on Friday, September 17, 2021. Feel free to contact me if you have any questions.

Thank you,

Ashlie Laydon

Rules Coordinator | Legal and Records Division
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