



# PROPOSED RULE MAKING

## CR-102 (December 2017) (Implements RCW 34.05.320)

Do NOT use for expedited rule making

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STATE OF WASHINGTON  
FILED

DATE: June 23, 2021

TIME: 8:46 AM

WSR 21-13-165

Agency: Washington State Gambling Commission

Original Notice

Supplemental Notice to WSR \_\_\_\_\_

Continuance of WSR \_\_\_\_\_

Preproposal Statement of Inquiry was filed as WSR 20-15-154 ; or

Expedited Rule Making--Proposed notice was filed as WSR \_\_\_\_\_; or

Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or

Proposal is exempt under RCW \_\_\_\_\_.

**Title of rule and other identifying information:** (describe subject) **REPEAL:** WAC 230-03-408- Applying for sports wagering prelicensing investigation; WAC 230-05-101- Implementation of new permit and license fees; WAC 230-16-005- Transporting, displaying, and selling gambling equipment at trade shows.

**AMEND:** WAC 230-03-035- Applying for a license; WAC 230-03-040- Signing the application; WAC 230-03-045- Defining substantial interest holder; WAC 230-03-060- Fingerprinting; WAC 230-03-065- Spouses must also be qualified; WAC 230-03-070- Training required for licensing; WAC 230-03-075- Withdrawing your application; WAC 230-03-195- Additional information required from manufacturer ~~and~~, distributor, and sports wagering vendor license applicants; WAC 230-03-200- Defining "gambling equipment."; WAC 230-03-320- Substantial interest holders not required to be licensed as representatives; WAC 230-03-330- Representing one or more licensed businesses; WAC 230-03-335- Representatives must not work before receiving a license; WAC 230-05-110- Defining "gross gambling receipts rate,;" WAC 230-05-112- Defining "gross gambling receipts.;" WAC 230-05-120- Paying annual license fee; WAC 230-05-124- Quarterly license reports and quarterly license fees; WAC 230-05-125- Report gross gambling receipts on the quarterly license report; WAC 230-05-126- Online filing and payments required with waivers available upon request for good cause; WAC 230-05-170- Fees for other businesses; WAC 230-05-175- Individual license fees; WAC 230-06-030- Restrictions and conditions for gambling promotions; WAC 230-06-050- Review of electronic or mechanical gambling equipment; WAC 230-06-054- Notification of electronic or mechanical gambling equipment malfunctions; WAC 230-06-082- Manufacturers, distributors, gambling service suppliers, sports wagering vendors, linked bingo prize providers, and call centers for enhanced raffles reporting changes in licensed employees; WAC 230-06-110- Buying, selling, or transferring gambling equipment; WAC 230-06-120- Selling or transferring gambling equipment when no longer licensed;

**NEW:** WAC 230-03-196- Additional information required for sports wagering vendors; 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; WAC 230-03-233- Applying for an ancillary sports wagering vendor license; WAC 230-03-234- Sports wagering vendor applicants and associated entities in their corporate structure; WAC 230-03-311- Applying for a major sports wagering vendor representative license; WAC 230-03-312- Applying for a mid-level sports wagering vendor representative license; WAC 230-03-313- Applying for an ancillary sports wagering vendor representative license; WAC 230-06-084- Submitting sports wagering related contracts and agreements for review; WAC 230-06-116- Transporting, displaying, and selling gambling equipment at trade shows; WAC 230-19-005- Sports wagering definitions; WAC 230-19-010- Sports wagering vendors must ensure sports wagering vendor representatives are licensed; WAC 230-19-015- Accounting records for sports wagering vendors; WAC 230-19-020- Sales invoices for sports wagering vendors; WAC 230-19-025- Sales journals for sports wagering vendors; WAC 230-19-030- Authorized sports wagering menu; WAC 230-19-035- Sports wagering integrity; WAC 230-19-040- Integrity monitoring provider requirements; WAC 230-19-045- Sports wagering system requirements; WAC 230-19-050- Geofence and geolocation requirements; WAC 230-19-055- Sports wagering account requirements; WAC 230-19-060- Records retention for sports wagering vendors.

**Decodified and recodified:**

Old WAC Number	New WAC Number
230-03-230	230-03-226
230-03-232	230-03-227

**Hearing location(s):**

Date:	Time:	Location: (be specific)	Comment:
July 28, 2021	9:00am	Washington State Gambling Commission	Special public meeting scheduled for the purpose of reviewing sports wagering rules. The meeting time and

	4565 7 <sup>th</sup> Ave SE Lacey, WA 98503	location is tentative. Visit our website at <a href="http://www.wsgc.wa.gov">www.wsgc.wa.gov</a> approximately seven days prior to the meeting, select "The Commission," and then select "Public Meetings" to confirm the hearing date, location, start time, and agenda items.
<b>Date of intended adoption:</b> <u>July 28, 2021</u> (Note: This is <b>NOT</b> the <b>effective</b> date)		
<b>Submit written comments to:</b> Name: Ashlie Laydon Address: PO Box 42400, Olympia, WA 98504-2400 Email: <a href="mailto:rules.coordinator@wsgc.wa.gov">rules.coordinator@wsgc.wa.gov</a> Fax: (360) 486-3632 Other: By (date) <u>July 23, 2021</u>		
<b>Assistance for persons with disabilities:</b> Contact Julie Anderson Phone: (360) 486-3453 Fax: TTY: (360) 486-3637 Email: <a href="mailto:julie.anderson@wsgc.wa.gov">julie.anderson@wsgc.wa.gov</a> Other: By (date) <u>July 23, 2021</u>		
<b>Purpose of the proposal and its anticipated effects, including any changes in existing rules:</b> On March 25, 2020, Governor Jay Inslee signed House Bill 2638 authorizing sports wagering for Class III tribal facilities under terms negotiated in tribal-state compacts, and adding or amending several sections of the Gambling Act giving the Gambling Commission the authority to adopt and/or amend rules needed for the state's regulation of sports wagering. Several tribal-state compact amendment agreements have been reached; therefore, the Gambling Commission needs to adopt and amend existing rules to create a licensing and regulatory framework for sports wagering consistent with the Gambling Act and negotiated tribal-state compact amendments.		
<b>Reasons supporting proposal:</b> The proposed rules address the following areas consistent with the Gambling Act and recent negotiated tribal-state compact amendments: 1) licensing and regulation, 2) agency funding, 3) money laundering and criminal enforcement, 4) sport and gambling integrity, and 5) responsible and problem gambling.		
<b>Statutory authority for adoption:</b> RCW 9.46.070; RCW 9.46.075; RCW 9.46.140; RCW 9.46.153; RCW 9.46.210.		
<b>Statute being implemented:</b> RCW 9.46.0364; RCW 9.46.0368; RCW 9.46.037; RCW 9.46.038; RCW 9.46.070; RCW 9.46.190; RCW 9.46.240.		
<b>Is rule necessary because of a:</b> Federal Law? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Federal Court Decision? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No State Court Decision? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, CITATION:		
<b>Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:</b>		
<b>Name of proponent:</b> (person or organization) Washington State Gambling Commission <input type="checkbox"/> Private <input type="checkbox"/> Public <input checked="" type="checkbox"/> Governmental		

Name of agency personnel responsible for:			
	Name	Office Location	Phone
Drafting:	Brian Considine, LLM	4565 7 <sup>th</sup> Ave SE, Lacey, WA 98503	(360) 486-3469
Implementation:	Tina Griffin, Interim Director	4565 7 <sup>th</sup> Ave SE, Lacey, WA 98503	(360) 486-3546
Enforcement: Director	Gary Drumheller, Assistant	4565 7 <sup>th</sup> Ave SE, Lacey, WA 98503	(509) 325-7904

**Is a school district fiscal impact statement required under RCW 28A.305.135?**  Yes  No

If yes, insert statement here:

The public may obtain a copy of the school district fiscal impact statement by contacting:

Name:  
Address:  
Phone:  
Fax:  
TTY:  
Email:  
Other:

**Is a cost-benefit analysis required under RCW 34.05.328?**

Yes: A preliminary cost-benefit analysis may be obtained by contacting:  
Name:  
Address:  
Phone:  
Fax:  
TTY:  
Email:  
Other:

No: Please explain: A cost-benefit analysis is not required per RCW 34.05.328(5)(a)(i).

**Regulatory Fairness Act Cost Considerations for a Small Business Economic Impact Statement:**

This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see chapter 19.85 RCW). Please check the box for any applicable exemption(s):

This rule proposal, or portions of the proposal, is exempt under RCW 19.85.061 because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.  
Citation and description:

This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by RCW 34.05.313 before filing the notice of this proposed rule.

This rule proposal, or portions of the proposal, is exempt under the provisions of RCW 15.65.570(2) because it was adopted by a referendum.

This rule proposal, or portions of the proposal, is exempt under RCW 19.85.025(3). Check all that apply:

<input type="checkbox"/> RCW 34.05.310 (4)(b) (Internal government operations)	<input checked="" type="checkbox"/> RCW 34.05.310 (4)(e) (Dictated by statute)
<input type="checkbox"/> RCW 34.05.310 (4)(c) (Incorporation by reference)	<input checked="" type="checkbox"/> RCW 34.05.310 (4)(f) (Set or adjust fees)
<input type="checkbox"/> RCW 34.05.310 (4)(d) (Correct or clarify language)	<input checked="" type="checkbox"/> RCW 34.05.310 (4)(g) ((i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit)

This rule proposal, or portions of the proposal, is exempt under RCW \_\_\_\_\_.  
Explanation of exemptions, if necessary:

**COMPLETE THIS SECTION ONLY IF NO EXEMPTION APPLIES**

If the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

No Briefly summarize the agency's analysis showing how costs were calculated. \_\_\_\_\_

Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses, and a small business economic impact statement is required. Insert statement here:

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

Name:

Address:

Phone:

Fax:

TTY:

Email:

Other:

**Date:** June 22, 2021

**Name:** Ashlie Laydon

**Title:** Rules Coordinator

**Signature:**

