



# RULE-MAKING ORDER PERMANENT RULE ONLY

## CR-103P (December 2017) (Implements RCW 34.05.360)

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER  
STATE OF WASHINGTON  
FILED

DATE: July 30, 2021

TIME: 2:01 PM

WSR 21-16-072

**Agency:** Washington State Gambling Commission

**Effective date of rule:**

**Permanent Rules**

- 31 days after filing.
- Other (specify) \_\_\_\_\_ (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

**Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?**

- Yes  No If Yes, explain:

**Purpose:** 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 and signed by the Governor; 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. The proposed rules address: 1) licensing and regulation, and 2) agency funding, consistent with the Gambling Act and recently negotiated tribal-state compact amendments.

**Citation of rules affected by this order:**

**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 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.

**Repealed:** WAC 230-03-408- Applying for sports wagering preclicensing investigation; WAC 230-05-101- Implementation of new permit and license fees; WAC 230-16-005-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.

**Amended:** 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, distributor, and sports wagering vendor license applicants; 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 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 transporting gambling equipment; WAC 230-06-120- Selling or transferring gambling equipment when no longer licensed.

**Decodified and recodified:**

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

Suspended:

**Statutory authority for adoption:** RCW 9.46.070; RCW 9.46.075; RCW 9.46.140; RCW 9.46.153; RCW 9.46.210

**Other authority:**

**PERMANENT RULE (Including Expedited Rule Making)**

Adopted under notice filed as WSR 21-13-165 on June 23, 2021 (date).

Describe any changes other than editing from proposed to adopted version: Nonsubstantive changes were made to the following:

WAC 230-03-200- Defining "gambling equipment." No amendments are being made to this rule, meaning "sports wagering" is not being included in this definition.

WAC 230-05-170- Fees for other businesses. The major vendor licensing fee was reduced from \$85,000 to \$65,000.

WAC 230-06-050- Review of electronic or mechanical gambling equipment. Removal of references to WAC 230-19-045.

WAC 230-06-110- Buying, selling, or transporting gambling equipment. Because "sports wagering equipment" was not included in the definition of gambling equipment in WAC 230-03-200, it needed to be included in this rule.

WAC 230-06-116- Transporting, displaying, and selling gambling equipment at trade shows. Because "sports wagering equipment" was not included in the definition of gambling equipment in WAC 230-03-200, it needed to be included in this rule.

WAC 230-06-120- Selling or transferring gambling equipment when no longer licensed. Because "sports wagering equipment" was not included in the definition of gambling equipment in WAC 230-03-200, it needed to be included in this rule.

WAC 230-06-050- Review of electronic or mechanical gambling equipment malfunctions. The references to WAC 230-19-045 were removed.

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

- Name:
- Address:
- Phone:
- Fax:
- TTY:
- Email:
- Web site:
- Other:

**Note: If any category is left blank, it will be calculated as zero.  
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.  
A section may be counted in more than one category.**

**The number of sections adopted in order to comply with:**

|                                  |     |           |         |           |          |          |
|----------------------------------|-----|-----------|---------|-----------|----------|----------|
| Federal statute:                 | New | ___       | Amended | ___       | Repealed | ___      |
| Federal rules or standards:      | New | ___       | Amended | ___       | Repealed | ___      |
| Recently enacted state statutes: | New | <u>10</u> | Amended | <u>24</u> | Repealed | <u>3</u> |

**The number of sections adopted at the request of a nongovernmental entity:**

|     |     |         |     |          |     |
|-----|-----|---------|-----|----------|-----|
| New | ___ | Amended | ___ | Repealed | ___ |
|-----|-----|---------|-----|----------|-----|

**The number of sections adopted on the agency's own initiative:**

|     |           |         |           |          |          |
|-----|-----------|---------|-----------|----------|----------|
| New | <u>10</u> | Amended | <u>24</u> | Repealed | <u>3</u> |
|-----|-----------|---------|-----------|----------|----------|

**The number of sections adopted in order to clarify, streamline, or reform agency procedures:**

|     |           |         |           |          |          |
|-----|-----------|---------|-----------|----------|----------|
| New | <u>10</u> | Amended | <u>24</u> | Repealed | <u>3</u> |
|-----|-----------|---------|-----------|----------|----------|

**The number of sections adopted using:**

|                         |     |           |         |           |          |          |
|-------------------------|-----|-----------|---------|-----------|----------|----------|
| Negotiated rule making: | New | <u>10</u> | Amended | <u>24</u> | Repealed | <u>3</u> |
| Pilot rule making:      | New | ___       | Amended | ___       | Repealed | ___      |

Other alternative rule making:    New    \_\_\_    Amended    \_\_\_    Repealed    \_\_\_

**Date Adopted:** July 28, 2021

**Name:** Ashlie Laydon

**Title:** Rules Coordinator

**Signature:**

