Proposed Amendatory Section: WAC 230-13-005 Amusement Game Authorized
Proposed New Section: WAC 230-13-067 Group 12 – Electronic puzzle and pattern solving game standards.

April 2015 – Up for Discussion and Possible Filing
March 2015 – Study Session

ITEM 8 (a): April 2015 Commission Meeting Agenda. Statutory Authority 9.46.070, 9.46.0331
Who proposed the rule change?
Monty Harmon, President, Harmon Consulting, Inc., licensed Service Supplier.
Proposed Change
The petitioner is proposing a new amusement game, group 12, which would allow electronic puzzle and pattern solving games, if played according to specific standards set forth in the rule. The Commission's current amusement game rules allow for eleven groups or types of games to be played. The new rule would authorize an electronic amusement game that would allow players to discern a pattern and choose the correct symbol to complete that pattern, such that no prize is ever awarded unless the player correctly completes the skill puzzle. WAC 230-15-050 will need to be changed to allow for more than eleven groups of amusement games. **Attachments:** • Petition for Rule Change from Mr. Harmon received February 12, 2015. • RCW 9.46.0331 Amusement games authorized – Minimum rules.
History of Rule
RCW 9.46.0331 (attached) allows amusement games when operated pursuant to the provisions within RCW 9.46 and rules and regulations adopted by the Commission.
Impact of the Proposed Change
The proposed change would create a 12th group of amusement games. **A Small Business Economic Impact Statement** was not prepared because the rule change would not impose additional costs on any licensees.
Regulatory Concerns
Minimal.
Resource Impacts
Staff may receive calls or questions from the public and other amusement game operators asking about the game.
Policy Consideration
This will allow a new group of amusement games.
Statements Supporting the Proposed Rule Change
None.
Statements Opposing the Proposed Rule Change
None.
Licensees/Stakeholders Directly Impacted By the Change
Amusement game manufacturers. Licensed amusement game distributors and operators.

Options Available to the Commission Regarding the Petition
Under the requirements of the Administrative Procedure Act, the Commission must take action on a Petition within 60 days of receiving it. At the April 2015 meeting, the Commission must: 1) Initiate rule-making proceedings (file the rule for further discussion); 2) Deny the petition in writing, stating the reasons for the denial and specifically address the concerns stated in the petition. If appropriate, the Commission must indicate alternative means by which the agency will address the concerns raised in the petition; or 3) Propose an alternative version of the rule.
Staff Recommendation
File for further discussion. If the Commissioners choose to file this rules package for discussion, staff will work with the petitioner to format WAC 230-13-067 to match current amusement game rules.
Proposed Effective Date for Rule Change
The petitioner requests an effective date of 31 days from filing the adopted rule.

Up for Discussion and Possible Filing at the April 2015 Commission Meeting

Amended Section:

WAC 230-13-005 Amusement games authorized.

(1) We authorize the ~~eleven~~ approved groups of amusement games set forth in this chapter. Operators must only operate amusement games that meet the standards of at least one of the authorized groups.

(2) Commercial businesses or nonprofit or charitable organizations may apply for licenses for amusement games.

(3) Charitable or nonprofit organizations also may conduct amusement games without a license when authorized to do so under RCW 9.46.0321 and 9.46.0331.

(4) Operators must operate amusement games as either:

(a) An attended amusement game.

(i) An "attended amusement game" means an amusement game that requires the presence or assistance of a person (attendant) in the regular operation of the game; and

(ii) These games must award a merchandise prize to players if players achieve the objective with one cost of play; or

(b) A coin or token activated amusement game.

(i) A "coin or token activated amusement game" means an amusement game that uses a mechanical, electronic, or electro-mechanical machine to allow the player to activate the game by inserting coins or tokens; and

(ii) These games may dispense merchandise prizes, or coupons, tickets, or tokens redeemable for merchandise prizes.

(5) Amusement games must not award additional plays as prizes.

Up for Discussion and Possible Filing at the April 2015 Commission Meeting

New Section:

WAC 230-13-067 Group 12 – Electronic Puzzle and Pattern solving game standards.

Group 12 games, players must correctly solve a simple puzzle to win a prize which is known to the player before each puzzle is presented:

1. The game requires a player to:
    a. Determine whether a potential pattern of two or more symbols is presented and to select from a number of symbols to add to two or more existing symbols such that there are then three or more symbols in a pattern, within a pre-determined time period; or
    b. Select a symbol from a variety of symbols available to complete an existing pattern of symbols which is missing one correct symbol, so that the pattern is completed if the correct symbol is chosen by the player, within a pre-determined time period.
2. The game must limit the player to a maximum of 15 seconds within which to solve each puzzle.
3. The game must allow the player to view the prize that is available before each play of the game.
4. The game must allow the player to view that available prize without the insertion of money or expenditure of any consideration.
5. Prizes must be won exclusively by the player's skill in correctly discerning a pattern and correctly choosing the correct symbol to complete that pattern, such that no prize is ever awarded unless the player correctly completes the skill puzzle.
6. Each game must present its winning patterns so they are capable of completion, within the predetermined time period, by a reasonable person after a reasonable learning period.

RCW 9.46.0331

Amusement games authorized — Minimum rules.

The legislature hereby authorizes any person to conduct or operate amusement games when licensed and operated pursuant to the provisions of this chapter and rules and regulations adopted by the commission at such locations as the commission may authorize. The rules shall provide for at least the following:

(1) Persons other than bona fide charitable or bona fide nonprofit organizations shall conduct amusement games only after obtaining a special amusement game license from the commission.

(2) Amusement games may be conducted under such a license only as a part of, and upon the site of:

(a) Any agricultural fair as authorized under chapter 15.76 or 36.37 RCW; or

(b) A civic center of a county, city, or town; or

(c) A world's fair or similar exposition that is approved by the bureau of international expositions at Paris, France; or

(d) A community-wide civic festival held not more than once annually and sponsored or approved by the city, town, or county in which it is held; or

(e) A commercial exposition organized and sponsored by an organization or association representing the retail sales and service operators conducting business in a shopping center or other commercial area developed and operated for retail sales and service, but only upon a parking lot or similar area located in said shopping center or commercial area for a period of no more than seventeen consecutive days by any licensee during any calendar year; or

(f) An amusement park. An amusement park is a group of activities, at a permanent location, to which people go to be entertained through a combination of various mechanical or aquatic rides, theatrical productions, motion picture, and/or slide show presentations with food and drink service. The amusement park must include at least five different mechanical, or aquatic rides, three additional activities, and the gross receipts must be primarily from these amusement activities; or

(g) Within a regional shopping center. A regional shopping center is a shopping center developed and operated for retail sales and service by retail sales and service operators and consisting of more than six hundred thousand gross square feet not including parking areas. Amusement games conducted as a part of, and upon the site of, a regional shopping center shall not be subject to the prohibition on revenue sharing set forth in RCW 9.46.120(2); or

(h) A location that possesses a valid license from the Washington state liquor control board and prohibits minors on their premises; or

(i) Movie theaters, bowling alleys, miniature golf course facilities, and amusement centers. For the purposes of this section an amusement center shall be defined as a permanent location whose primary source of income is from the operation of ten or more amusement devices; or

(j) Any business whose primary activity is to provide food service for on premises consumption and who offers family entertainment which includes at least three of the following activities: Amusement devices; theatrical productions; mechanical rides; motion pictures; and slide show presentations; or

(k) Other locations as the commission may authorize.

(3) No amusement games may be conducted in any location except in conformance with local zoning, fire, health, and similar regulations. In no event may the licensee conduct any amusement games at any of the locations set out in subsection (2) of this section without first having obtained the written permission to do so from the person or organization owning the premises or an authorized agent thereof, and from the persons sponsoring the fair, exhibition, commercial exhibition, or festival, or from the city or town operating the civic center, in connection with which the games are to be operated.

(4) In no event may a licensee conduct any amusement games at the location described in subsection (2)(g) of this section, without, at the location of such games, providing adult supervision during all hours the licensee is open for business at such location, prohibiting school-age minors from entry during school hours, maintaining full-time personnel whose responsibilities include maintaining security and daily machine maintenance, and providing for hours for the close of business at such location that are no later than 10:00 p.m. on Fridays and Saturdays and on all other days that are the same as those of the regional shopping center in which the licensee is located.

(5) In no event may a licensee conduct any amusement game at a location described in subsection (2)(i) or (j) of this section, without, at the location of such games, providing adult supervision during all hours the licensee is open for business at such location, prohibiting school-age minors from playing licensed amusement games during school hours, maintaining full-time personnel whose responsibilities include maintaining security and daily machine maintenance, and prohibiting minors from playing the amusement games after 10:00 p.m. on any day.

Received
FEB 12 2015
Gambling Commission
Comm. & Legal Division

January 22, 2015

Washington State Gambling Commission
Attn: Rules Coordinator
PO Box 42400
Olympia, WA 98504-2400

Received
FEB 12 2015
Gambling Commission
Comm. & Legal Division

RE: New Rule Proposal – Authorized Amusement Games

Dear Gambling Commission Staff:

As the commission knows, the amusement game industry has been struggling and needs to continually develop new products that are legal under the Revised Code of Washington. Therefore, as new games are developed, there will be need for new amusement game groups to be defined.

In developing a new electronic amusement game, commission staff brought to my attention that the current groups defined in the rules manual may not adequately describe the skill game we would like to introduce to the state. While WAC 230-13-035 for Hand/eye coordination could possibly work, commission staff has suggested a new rule is needed.

Please find attached a narrative of the operation of the new skill game we would like to bring to Washington. I have delivered a game to your agency for consideration and would like to have feedback from staff concerning the proper group classification of the game.

Should staff determine the new game is not adequately described under the current rules, I have attached two rule changes for the game. The first is a new rule that describes the new group to properly classify our new skill based game. The second rule would be an administrative change required should the rule being proposed be approved by the commission.

These rules do not conflict with other federal, state, or local laws. The rules would apply only to businesses with class H liquor licenses held by commercial businesses and not for profit organizations.

Sincerely,

Monty Harmon

Monty Harmon, President
Harmon Consulting, Inc.

PETITION FOR ADOPTION, AMENDMENT, OR REPEAL OF A STATE ADMINISTRATIVE RULE

Print Form

In accordance with RCW 34.05.330, the Office of Financial Management (OFM) created this form for individuals or groups who wish to petition a state agency or institution of higher education to adopt, amend, or repeal an administrative rule. You may use this form to submit your request. You also may contact agencies using other formats, such as a letter or email.

The agency or institution will give full consideration to your petition and will respond to you within 60 days of receiving your petition. For more information on the rule petition process, see Chapter 82-05 of the Washington Administrative Code (WAC) at http://apps.leg.wa.gov/wac/default.aspx?cite=82-05.

CONTACT INFORMATION *(please type or print)*

Petitioner's Name: Monty Harmon

Name of Organization: Harmon Consulting, Inc.

Mailing Address: 1732 Camden PL SW

City: Olympia State: WA Zip Code: 98512

Telephone: 360-888-8861 Email: montyharmon@juno.com

COMPLETING AND SENDING PETITION FORM

Received
FEB 12 2015
Gambling Commission
Comm. & Legal Division

- Check all of the boxes that apply.
- Provide relevant examples.
- Include suggested language for a rule, if possible.
- Attach additional pages, if needed.
- Send your petition to the agency with authority to adopt or administer the rule. Here is a list of agencies and their rules coordinators: http://www.leg.wa.gov/CodeReviser/Documents/RClist.htm.

INFORMATION ON RULE PETITION

Agency responsible for adopting or administering the rule: Washington State Gambling Commission

☒ **1. NEW RULE - I am requesting the agency to adopt a new rule.**

☒ The subject (or purpose) of this rule is: Create a new type of amusement game category

☒ The rule is needed because: Current rules do not adequately describe the operational features of amusement games presently being operated in the state.

☒ The new rule would affect the following people or groups: Amusement game operators and distributors as well as not for profit clubs and comercial businesses holding Class H liquor lic.

☐ **2. AMEND RULE - I am requesting the agency to change an existing rule.**

List rule number (WAC), if known: _____

☐ I am requesting the following change: _____

☐ This change is needed because: _____

☐ The effect of this rule change will be: _____

☐ The rule is not clearly or simply stated: _____

☐ **3. REPEAL RULE - I am requesting the agency to eliminate an existing rule.**

List rule number (WAC), if known: _____

(Check one or more boxes)

☐ It does not do what it was intended to do.

☐ It is no longer needed because: _____

☐ It imposes unreasonable costs: _____

☐ The agency has no authority to make this rule: _____

☐ It is applied differently to public and private parties: _____

☐ It conflicts with another federal, state, or local law or rule. List conflicting law or rule, if known: _____

☐ It duplicates another federal, state or local law or rule. List duplicate law or rule, if known: _____

☐ Other (please explain): _____

WAC 230-13-XXX Group 12 – Puzzle and Pattern solving game standards. Group 12 games, players must correctly solve a simple puzzle to win a prize which is known to the player before each puzzle is presented:

1. The game may require a player to:
    a. Determine whether a potential pattern of two or more symbols is presented and to select from a plurality of symbols to add to two or more existing symbols such that there are then three or more symbols in a pattern, within a pre-determined time period; or
    b. Select a symbol from a variety of symbols available to complete an existing pattern of symbols which is missing one correct symbol, so that the pattern is completed if the correct symbol is chosen by the player, within a pre-determined time period.
2. The game must limit the player to a maximum of 15 seconds within which to solve each puzzle.
3. The game must allow the player to view the prize that is available before each play of the game.
4. The game must allow the player to view that available prize without the insertion of money or expenditure of any consideration.
5. Prizes must be won exclusively by the player's skill in correctly discerning a pattern and correctly choosing the correct symbol to complete that pattern, such that no prize is ever awarded unless the player correctly completes the skill puzzle.
6. Each game must present patterns that are capable of completion by a reasonable person after a reasonable learning period.
7. Group 12 amusement games are for adults only and may only be operated by licensees holding a "class H" liquor license and where minors are prohibited from entering the area where Group 12 games are operated.

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FEB 12 2015
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INFORMATION ON RULE PETITION

Agency responsible for adopting or administering the rule: Washington State Gambling Commission

☐ **1. NEW RULE - I am requesting the agency to adopt a new rule.**

☐ The subject (or purpose) of this rule is: _____

☐ The rule is needed because: _____

☐ The new rule would affect the following people or groups: _____

☒ **2. AMEND RULE - I am requesting the agency to change an existing rule.**

List rule number (WAC), if known: WAC 230-13-005

☒ I am requesting the following change: The rule presently states there are eleven groups of amusement games authorized. I am proposing a new group so this rule would need to state there are twelve groups.

☒ This change is needed because: If approved, a new rule proposing group twelve would make this rule inaccurate.

☒ The effect of this rule change will be: to update the rule to be accurate upon passage of a new rule.

☐ The rule is not clearly or simply stated: _____

☐ **3. REPEAL RULE - I am requesting the agency to eliminate an existing rule.**

List rule number (WAC), if known: _____

(Check one or more boxes)

☐ It does not do what it was intended to do.

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☐ It duplicates another federal, state or local law or rule. List duplicate law or rule, if known: _____

☐ Other (please explain): _____

WAC 230-13-005

Amusement games authorized.

(1) We authorize the ~~eleven~~ twelve groups of amusement games set forth in this chapter. Operators must only operate amusement games that meet the standards of at least one of the authorized groups.

(2) Commercial businesses or nonprofit or charitable organizations may apply for licenses for amusement games.

(3) Charitable or nonprofit organizations also may conduct amusement games without a license when authorized to do so under RCW 9.46.0321 and 9.46.0331.

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(ii) These games may dispense merchandise prizes, or coupons, tickets, or tokens redeemable for merchandise prizes.

(5) Amusement games must not award additional plays as prizes.

[Statutory Authority: RCW 9.46.070. WSR 07-15-064 (Order 612), § 230-13-005, filed 7/16/07, effective 1/1/08.]