Proposed Amendments to:
WAC 230-15-055 Limit on number of players at each table.
WAC 230-15-460 Supervision requirements for house-banked card rooms.
WAC 230-15-630 Restricting access and controlling keys.
WAC 230-06-030 Restrictions and conditions for gambling promotions.
WAC 230-06-031 Using wheels in promotional contests of chance, fund raising events, or gambling activities.

Proposed Repeal of:
WAC 230-15-453 Using match play or similar coupons in a gambling promotion.
WAC 230-15-635 Electronic key control systems.
WAC 230-15-640 Keeping individual key control boxes for departments.
WAC 230-15-645 Keeping a key control log.
WAC 230-15-650 Keys for the gambling operations department.
WAC 230-15-655 Keys for the security department.
WAC 230-15-660 Keys for the accounting department.
WAC 230-15-665 Keys for the surveillance department.
WAC 230-15-670 Keeping a master key control box.
WAC 230-15-675 Key control box for emergency key.

April 2015 – Up for Discussion and Possible Filing
March 2015 – Study Session
February 2015 – No Study Session
January 2015 – Study Session

ITEM 10: April 2015 Commission Meeting Agenda.	Statutory Authority 9.46.070, 9.46.0282
Who proposed the rule changes?	
Staff.	
Proposed Changes	

Commission staff regularly evaluates our regulatory processes to ensure they add value and that we do not place unnecessary burdens on individuals or organizations by eliminating duplication already required in the Washington Administrative Code (WAC), ensuring consistency between licensees, and allowing for maximum flexibility by each business. This is in line with one of our agency goals of "anticipating and responding to the evolving gambling industry."

As part of our regulatory reform process, staff made changes to the Class F and house-banked Internal Control Templates, made changes to the Class F and house-banked Card Room Daily Control Records Packets, and reviewed our card room rules for areas that created extra burdens on staff and licensees without contributing significantly to our mission of protecting the public by ensuring that gambling is legal and honest. We identified the rules listed below for changes:

Limiting the number of players at a table:
WAC 230-15-055: The change would remove the nine player limit for Mini Baccarat when the game is operated according to the non-patented approved game rules posted on our website and without any modifications as allowed in WAC 230-15-040.

Floor Supervision Rules:
WAC 230-15-460: Amendments were made to add a definition for gaming area and clarify the gaming area includes poker tables. The requirement for two levels of supervision was also removed. Second level supervisors are not required to be in the gaming area and are typically in the back offices. We are not

aware of issues related to second level supervisors not being present in the gaming area; therefore, the requirement for second level supervision was removed.

Key Control Rules:
WAC 230-15-630: Detailed security requirements for keys used to access restricted areas and keeping a key control log are currently outlined in ten rules. We removed detailed key control requirements to give licensees the flexibility to set key control standards that best meet their operational needs.

The following rules relate to key control and are up for repeal. Requirements for key control are now in WAC 230-15-630:

- WAC 230-15-635 Electronic key control systems.
- WAC 230-15-640 Keeping individual key control boxes for departments.
- WAC 230-15-645 Keeping a key control log.
- WAC 230-15-650 Keys for the gambling operations department.
- WAC 230-15-655 Keys for the security department.
- WAC 230-15-660 Keys for the accounting department.
- WAC 230-15-665 Keys for the surveillance department.
- WAC 230-15-670 Keeping a master key control box.
- WAC 230-15-675 Key control box for the emergency key.

Card Game Promotion Rules:
WAC 230-06-030: Amendments were made to clarify what types of activities may be operated as card game gambling promotions. Currently, card game promotions require a large amount of operator and staff time to determine if an activity is authorized or not. Requirements for match play coupons (WAC 230-15-453) have been moved to this rule so all the gambling promotion requirements are in one rule.

WAC 230-15-453 is up for repeal because its content which relates to promotions was moved to WAC 230-06-030.

WAC 230-06-031: An amendment was needed based on changes to WAC 230-06-030.

History of Rule

During the Pilot Study Card Room Enhancement Program (CREP), each card room had to have certain requirements in their internal controls. At the conclusion of the CREP, most of these internal control requirements were put into WAC rules to standardize the controls and to help reduce the size of the internal control documents. It also helped to reduce the burden of constantly making sure the internal controls were up to date for staff and licensees. The rules were adopted at the conclusion of the CREP in 2000 and were later changed as part of the Rules Simplification Project in 2008.

Impact of the Proposed Change

These rule changes save time and costs for staff and licensees, and allow flexibility for licensees to design their own specific controls.

Limit on number of players for Mini Baccarat.
This change would allow line betting on Mini Baccarat, as commonly played in Tribal casinos and other jurisdictions. This would increase the number of wagering areas from nine to 18.

Supervision requirements for house-banked card rooms.
Depending on the layout of the card room, licensees may be able to reduce the number of supervisors required and save money without impacting supervision of the games.

Key control.
Eliminates specific key requirements and allows licensees to develop their own key control system. Nine additional key control rules are being repealed.

Gambling promotions.
Allows card rooms to award promotional prizes on card games by using another element of chance and clarifies what is allowed for gambling promotions.

A Small Business Economic Impact Statement was not prepared because the rule changes would not impose additional costs.

Regulatory Concerns
None.
Resource Impacts
• Reduces staff time approving changes to internal controls and reviewing gambling promotions. • Some of these changes will reduce questions staff receives because the revised rules will be more consistent with how games are played in other jurisdictions.
Policy Consideration
None.
Statements Supporting the Proposed Rule Change
Representatives of the card room industry, including licensees and the Recreational Gaming Association (RGA), had the opportunity to review and comment on these changes, and work with staff. The feedback was supportive of all the rule changes.
Statements Opposing the Proposed Rule Change
None.
Licensees Directly Impacted By the Change
Card game licensees.
Staff Recommendation
File for further discussion.
Proposed Effective Date for Rule Change
Staff proposes an effective date of 31 days from filing the adopted rules because these rule changes will benefit card game licensees and staff.

AMENDATORY SECTION

WAC 230-15-055 Limit on number of players at each table.

Card game licensees must only allow:

(1) Up to nine players or areas for wagering at any table in house-banked card games. This section does not apply to Mini Baccarat when the game is operated according to the non-patented approved game rules posted on the agency's website and without any modifications as allowed in WAC 230-15-040.

(2) Up to ten players at any table in nonhouse-banked card games.

AMENDATORY SECTION

WAC 230-15-460 Supervision requirements for house-banked card rooms.

(1) House-banked card game licensees must have at least one floor supervisor for each gambling area/pit. ((~~Each supervisor may supervise up to seven tables. We must approve the arrangement of tables in the internal controls.~~

~~(2) Licensees must have two levels of supervision present on the business premises if more than ten tables are open. Poker tables operated in a separate gambling area are not included in the calculation of levels of supervision~~)).

(2) Gambling area/pit is defined as a self contained group of card tables, including poker tables, physically separated from other tables. The separation may be due to the layout of the tables or physical barriers such as walls, chains, or ropes.

(3) A card room employee may act as a dealer and a supervisor during the same shift as long as he or she does not sign forms as both the dealer and the supervisor.

AMENDATORY SECTION

WAC 230-15-630 ((~~Restricting access and~~)) Controlling keys and restricting access. House-banked card game licensees must:

(1) Use keys or electronic key control systems to control access to restricted areas of the business premises((~~.~~

~~(1) Licensees must install and keep key control boxes that, at least:~~

~~(a) Are constructed of metal with a minimum of one keylock mechanism. We permit coded key boxes or combination key boxes; and~~

~~(b) Are attached to a permanent structure without the hardware used to attach the key box being visible; and~~

~~(c) Are tamper proof; and~~

~~(d) Store keys so that they are identifiable, have identification labels, and are displayed in numeric or alphabetic order; and~~

~~(2) Licensees may decide the location of key control boxes, but the location must not allow an individual to gain access to a restricted area that he or she would not otherwise be authorized to enter.~~

~~(3) If licensees locate key boxes in restricted areas, persons who are not authorized to enter those areas must give their key to the key box to an authorized person. The authorized person must then only open the key box in the presence of the unauthorized person or while under camera coverage~~)); and

(2) Restrict access to keys or electronic key control systems to only those licensed card room employees whose specific job functions and duties require access to them.

(3) Keep a key control log in the format we require.

REPEALERS

WAC 230-15-453	Using match play or similar coupons in gambling promotions.
WAC 230-15-635	Electronic key control systems.
WAC 230-15-640	Keeping individual key control boxes for departments.
WAC 230-15-645	Keeping a key control log.
WAC 230-15-650	Keys for the gambling operations department.
WAC 230-15-655	Keys for the security department.
WAC 230-15-660	Keys for the accounting department.
WAC 230-15-665	Keys for the surveillance department.
WAC 230-15-670	Keeping a master key control box.
WAC 230-15-675	Key control box for the emergency key.

AMENDATORY SECTION

WAC 230-06-030 Restrictions and conditions for gambling promotions. Licensees may conduct gambling promotions to encourage players to participate in a gambling activity, but you must follow these restrictions and conditions:

(1) ((~~You must give all players an equal opportunity to participate; and~~

~~(2)~~)) You must establish standards to determine how you will give promotional prizes and items to players. ((~~You must not give the items based on an element of chance, such as a drawing or spinning wheel, unless you are doing so as part of a bingo game~~)) All restrictions and conditions, including any promotional materials or advertisements, must be clearly posted in the area of the gambling activity. For promotions on card games you must post the restrictions and conditions near the card game where the promotion will be offered; and

((~~(3)~~)) (2) Except for members-only progressive raffles conducted as authorized in WAC 230-11-091, the promotional prize in a gambling promotion cannot be pull-tabs, bingo paper, raffle tickets, or entry into another licensed gambling activity regulated by us ((~~, you must not give another chance to participate in a gambling activity as a promotional item~~)); and

((~~(4) You must display all rules or restrictions clearly in the gambling area and include them on promotional materials or advertisements~~)) (3) You may add additional merchandise or cash prizes to licensed gambling activities as part of a gambling promotion; and

((~~(5)~~)) (4) You must not combine gambling activities and related gambling promotions in any way with a promotional contest of chance as defined in RCW 9.46.0356; and

(5) You must not give the promotional prizes based on a second element of chance, such as a drawing or spinning wheel, unless you are doing so as part of a bingo game or awarding the promotional prize on card games; and

(6) Promotional coupons (such as match play, lucky bucks, free aces, and similar types of coupons) may be offered as gambling promotions with the following restrictions:

(a) The promotional coupons have no value and are not considered part of the player's wager in determining the amount wagered; and

(b) Restrictions on the use of promotional coupons must be disclosed on the coupon and any expiration dates must be included on the coupon; and

(c) The promotional coupon by itself is not a gambling activity.

AMENDATORY SECTION

WAC 230-06-031 Using wheels in promotional contests of chance, fund-raising events, or gambling activities.

Promotional contests of chance (PCOCs)

(1) Operators may use wheels specifically manufactured for a promotional contest of chance (PCOC), whether commercially made or home made.

(2) Operators must not use professionally manufactured wheels made specifically for gambling activities (for example, Big 6 Wheels) in PCOCs unless they receive permission ahead of time from us.

Fund-raising events

(3) Operators may use commercially made wheels in gambling activities for fund-raising events.

Separation of PCOCs from gambling activities and promotions

(4) No wheel may be used in conjunction with their gambling activities by((~~:~~

~~(a) Card room licensees; or~~

~~(b)~~)) pull-tab licensees.

Card rooms, pull-tabs, bingo, raffles

(5) Licensees and operators must not use professionally manufactured wheels made specifically for gambling activities (for example, Big 6 Wheels) in:

(a) Bingo; or

(b) Card games; or

(c) Pull-tabs.

(6) Operators may use commercially made or home made wheels as part of drawings for prizes, good neighbor prizes, or second element of chance prizes as part of bingo games, as set out in WAC 230-10-280 <u>or to award promotional prizes on card games as set out in WAC 230-06-030</u>.

(7) Raffle licensees and operators may use:

(a) Other types of wheels, such as paddle wheels, in raffles; and

(b) Commercially made or home made wheels in an alternative drawing format for determining the winner of a raffle. Alternative drawing formats are set out in WAC 230-11-055 and 230-11-060.