

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.



July 2015 – Final Action
June 2015 – No Meeting
May 2015 – Further Discussion
April 2015 – Up for Discussion and Possible Filing
March 2015 – Study Session

ITEM 10 (a): July 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	
<p>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.</p> <p>The new rule would authorize an electronic amusement game where prizes are awarded based upon the player’s skill in correctly discerning a pattern and completing that pattern within a predetermined time period.</p> <p>WAC 230-13-005 will need to be changed to allow for more than eleven groups of amusement games.</p> <p>Changes made after the May 2015 Commission meeting in Bold: Alternatives for WAC 230-13-067:</p> <ul style="list-style-type: none"> • Alternative #3: Staff worked with the petitioner to finalize the language for the new rule with the age to play Group 12 amusement games as 21 and over. • Alternative #2: Language revised to match other amusement game rules, discussed at the May 2015 meeting. • Alternative #1: Original WAC submitted by petitioner, filed at the April 2015 meeting. <p>Attachments:</p> <ul style="list-style-type: none"> • Petition for Rule Change from Mr. Harmon received February 12, 2015. • Three screen shots of the proposed Group 12 amusement game. • 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	
<p>The proposed change would create a 12th group of amusement games for adults 21 and over.</p> <p>A Small Business Economic Impact Statement was not prepared because the rule change would not impose additional costs on any licensees.</p>	
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.
Staff Recommendation
Final Action.
Proposed Effective Date for Rule Change
The petitioner requests an effective date of 31 days from filing the adopted rule.

Alternative #3 – Up for Final Action at the July 2015 Commission Meeting

Underline/Strikethrough = Changes made after the May 2015 Commission Meeting

New Section:

WAC 230-13-067 Group 12 – Electronic puzzle and pattern solving game standards.

In Group 12 games, players must correctly solve a ~~((simple))~~ puzzle to win a prize, which is viewable by the player before each puzzle is presented:

1. The game must allow the player to view the prize that is available before each play of the game without the insertion of money or any other thing of value; and
2. Prizes are awarded based upon the player's skill in correctly discerning a pattern and completing that pattern; and
3. When a game presents a potential winning pattern, the puzzle ~~((#))~~ must be capable of completion within the predetermined time period; and
4. Group 12 amusement games are for adults over the age of twenty-one only and may only be operated by licensees where persons under the age of ~~((18))~~ twenty-one are prohibited from entering ~~((the area where Group 12 games are operated))~~.

Alternative #2 - Up for Discussion at the May 2015 Commission Meeting

New Section:

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

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

1. The game must allow the player to view the prize that is available before each play of the game without the insertion of money or any other thing of value; and
5. Prizes are awarded based upon the player's skill in correctly discerning a pattern and completing that pattern; and
6. When a game presents a potential winning pattern, it must be capable of completion within the predetermined time period; and
7. Group 12 amusement games are for adults only and may only be operated by licensees where persons under the age of 18 are prohibited from entering the area where Group 12 games are operated.

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:

8. 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.
9. The game must limit the player to a maximum of 15 seconds within which to solve each puzzle.
10. The game must allow the player to view the prize that is available before each play of the game.
11. The game must allow the player to view that available prize without the insertion of money or expenditure of any consideration.
12. 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.
13. 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.
14. Group 12 amusement games are for adults only and may only be operated by licensees where minors are prohibited from entering the area where Group 12 games are operated.

Filed 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.

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.



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.

July 2015 – Final Action

June 2015 – No Meeting

May 2015 – Study Session

April 2015 – Up for Discussion and Possible Filing

March 2015 – Study Session

February 2015 – No Study Session

January 2015 – Study Session

ITEM 11: July 2015 Commission Meeting Agenda.	Statutory Authority 9.46.070, 9.46.0282
Who proposed the rule changes?	
Staff.	
Proposed Changes	
<p>Changes made after the April 2015 Commission meeting in Bold :</p> <p>WAC 230-15-460: The language “is defined as” was changed to “means” to match language in other rules.</p> <p>The following three rules relating to promotions have been removed from this rules package for further review and will be brought back at a later date:</p> <ul style="list-style-type: none"> • WAC 230-15-453 Using match play or similar coupons in a gambling promotion. • WAC 230-06-031 Using wheels in promotional contests of chance, fund raising events, or gambling activities. • WAC 230-06-030 Restrictions and conditions for gambling promotions. <p>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.”</p> <p>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</p>	

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.

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.

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.
- 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

Adoption.

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 nonpatented 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)) means** 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 230-15-635	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.