

Proposed Rule Change:

Amendatory Section: WAC 230-15-685 Restrictions on progressive jackpots.



**October 2015 – Final Action**  
**September 2015 – Further Discussion**  
**August 2015 – Up for Discussion and Possible Filing**  
**July 2015 – Study Session**

ITEM 5(a): October 2015 Commission Meeting Agenda.  
Statutory Authority: RCW 9.46.070 and 9.46.0282

Who proposed the rule change?

Bally Gaming, a licensed manufacturer.

Proposed Change

The petitioner is requesting that a house-banked card room be allowed to connect progressive jackpots from multiple tables within their own card room. The jackpots could be from different card games. The games must have the same probability of winning the jackpot prize and have the same winning hands. Currently, progressive jackpots can only be connected for the same card game.

The petitioner uses the example of poker based games such as Let it Ride, Mississippi Stud, and Ultimate Texas Hold'em. All are poker based games with progressive jackpots. Even though the underlying game is played differently the odds of obtaining a 5-card royal flush to win the progressive jackpot is the same since they are all played with a single 52 card deck.

**Bold = Changes made after the September 2015 Commission Meeting.**

**Rule language was changed to clarify that progressive jackpots can only be connected by equipment from the same manufacturer. This change allows card games that are not from the same manufacturer to be connected to the progressive jackpots system, when the requirements in subsection (6) are met.**

**Attachments:**

- Letter, petition and supporting documents from Bally dated May 19, 2015.
- Three comments from stakeholders.

History of Rule

In 2013, the Commissioner did not approve a petition for rule change to WAC 230-15-685 that would have authorized the house banked card game licensees to:

- Connect progressive jackpots on multiple tables of different types of card games, such as a poker based card game and a blackjack based card game, within the same licensed location; and
- Award a progressive jackpot based on a different winning hand on the card games connected, such as a royal flush on the poker based card game and pair of queen of hearts on the blackjack based game.

There were concerns about connecting different types of games where the probability of winning the progressive jackpot was not the same on all the card games and that there would be differing rates of play for the different types of card games; such as poker and blackjack. Instead, the Commissioners opted to approve only allowing house-banked card game licensees to connect progressive jackpots offered on the same card game on multiple tables within the same licensed location.

These concerns have been addressed in this petition as it:

- Only authorizes connecting card games with same base card game to a progressive jackpot, such as a poker based card game to other poker based card games or a blackjack based card game to other blackjack based card games; and
- Requires the probability of getting a qualifying hand to win the progressive jackpot to be the same on all the connected card games, such as a royal flush on each of the card games.

#### Impact of the Proposed Change

According to the petitioner, this rule amendment will allow operators to link card games to a common progressive jackpot prize. It will provide operators with more choice, flexibility, and excitement when offering progressive jackpots to players.

Progressive jackpots can only be connected by equipment from the same manufacturer. Only one progressive jackpot may be operated on a card game at a time and the card games must:

- Have the same probability of winning the jackpot prize; and
- Have the same winning hand; and
- Have a progressive meter on each table that increases incrementally each time a wager is made.

#### Other Jurisdictions:

The petitioner stated to staff that linked progressive jackpots are allowed in eleven other states and two providences. We contacted three of the jurisdictions about linking progressive jackpots.

#### Nevada:

Allows linked progressive jackpots for different card games. There have not been any problems. Video surveillance is available if further information is needed to determine when a win occurred. They were not aware of any problems in this area.

#### Kansas:

Allows linked progressive jackpots for different card games. No issues have been reported and they have not received any player complaints.

#### Iowa:

Allows linked progressive jackpots for different card games. They haven't experienced any problems and do not have any concerns with using them.

#### Tribal Gaming:

If the Commissioners allow progressive jackpots from different card games on multiple tables within a card room to be connected, the Tribes may be authorized to offer the same depending on terms in their Compact.

A Small Business Economic Impact Statement was not prepared because the rule change would not impose additional costs on any licensees.

#### Regulatory Concerns

Staff does not anticipate additional regulatory concerns.

#### Resource Impacts

Staff will review both the card game and equipment used to operate the game. Staff time for reviews is paid for by the manufacturer.

- Card game rules will take approximately 2-3 hours to review and approve.
- Equipment used to link games will need to be tested. The amount of time to review and approve the

equipment will vary depending on the submission.

- The games will be regulated the same as existing progressive jackpot games and current records will be used.

Policy Consideration

None.

Statement Supporting the Proposed Rule Change

Victor Mena, Chief Operating Officer, Vice President Washington Operations for Nevada Gold.

Statement Regarding the Proposed Rule Change

Letter and e-mail from Stacy Friedman, Olympian Gaming, licensed distributor.

Licensees/Stakeholders Directly Impacted By the Change

House-banked card game licensees and card game manufacturers.

Staff Recommendation

Final Action.

Proposed Effective Date for Rule Change

31 days from filing the adopted rule.

**Amendatory Section:**

**WAC 230-15-685 Restrictions on progressive jackpots.**

House-banked card game licensees operating progressive jackpots must follow these restrictions and procedures:

- (1) Progressive jackpot funds must accrue according to the rules of the game; and
- (2) At each gambling table, licensees must prominently post the amount of the progressive jackpot that players can win; and
- (3) Licensees must record the beginning amount of each progressive jackpot offered, including explanations for any increases or decreases in the prize amount offered. Licensees must keep this documentation with the progressive jackpot records; and
- (4) Licensees may establish a maximum limit on a progressive jackpot prize. If licensees establish a limit, they must make the amount equal to, or greater than, the amount of the jackpot when they imposed the limit. They must prominently post a notice of the limit at or near the game; and
- (5) Licensees may connect progressive jackpots offered on the same card game on multiple tables within the same licensed location.
- (6) Licensees may connect progressive jackpots on different card games on multiple tables within the same licensed location when the following requirements are met. ***Progressive jackpots can only be connected by equipment from the same manufacturer.*** Only one progressive jackpot may be operated on a card game at a time and the card games must ***have:***

***All be from the same licensed manufacturer; and***

- (a) ***Have*** The same probability of winning the jackpot prize; and
- (b) ***Have*** The same winning hand; and
- (c) ***Have*** A progressive meter on each table that increases incrementally each time a wager is made.



May 19, 2015

Via Email and UPS

Ms. Susan Newar  
Rules Coordinator & Public Information Officer  
Communications and Legal Division  
Washington State Gambling Commission  
4565 7<sup>th</sup> Avenue SE  
Lacey, WA 98503

Received  
MAY 20 2015  
Gambling Commission  
Comm. & Legal Division

**RE: Rule Amendment Petition for WAC 230-15-685**

Dear Ms. Newar:

Bally Gaming is requesting your review and approval of our Rule Amendment Petition regarding Progressive Jackpots, WAC 230-15-685. Currently, Item #5 within this WAC, states that progressive jackpots can only be offered on the same card game. We would like this statement changed to allow progressive jackpots be offered on games with the same odds.

For example, all single-deck poker variation games have the same odds of hitting a 5-card royal flush because while the underlying game may be played differently, the player is still trying to get a 5-card royal flush from a 52-card deck for the progressive payable. All Baccarat games, regardless of whatever bonus wagers they offer, still use the same number of cards and the same number of decks, from game to game. So whatever the progressive payout is for, it always has the same odds of obtaining that hand no matter which base game you are on. Same again for Pai Gow games.

Allowing this rule amendment will allow operators to link Let It Ride to Mississippi Stud to Ultimate Texas Hold'em, etc. for one common progressive jackpot prize. This will provide operators with more choice, flexibility and excitement when offering progressive jackpots to players. The same can be done with linking Pai Gow games to one progressive jackpot and Baccarat games to one progressive jackpot.

Enclosed for your consideration of this request are following:

- Washington Petition Form
- Bally / SHFL Overview of linking games to a common progressive jackpot for poker variations
- PAR sheets of sample Multi-Game Link paytables for various games (poker, baccarat, pai gow)
- Sample Generic Rules of Play for Multi-Game Link

It is my understanding that we will have casino support letters for this amendment petition coming to WSGC under separate cover.

We welcome the opportunity meet with WSGC directly on this matter. If you have questions regarding this request, please contact me at 702-532-5857 or [Kerrie.Kimball@ScientificGames.com](mailto:Kerrie.Kimball@ScientificGames.com).

Sincerely,

Kerrie Kimball, Compliance Analyst II

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Las Vegas, NV 89119  
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Reno Office: 775.532.1500, Fax 702.532.9045

[www.BallyTech.com](http://www.BallyTech.com)



## 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 Kerrie Kimball  
Name of Organization Bally Gaming  
Mailing Address 6601 S. Bermuda Road  
City Las Vegas State NV Zip Code 89119  
Telephone 702-532-5857 Email Kerrie.Kimball@ScientificGames.com

### COMPLETING AND SENDING PETITION FORM

- 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/RClst.htm>.

### INFORMATION ON RULE PETITION

Agency responsible for adopting or administering the rule: Washington State Gaming 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: 230-15-685, Item (5) Restrictions on Progressive Jackpots

- I am requesting the following change: Licenses may connect a progressive jackpot on card games with same odds on multiple table games within the same licensed locations.
- This change is needed because: Current rule states "same card game" which limits progressive to link Let it Ride to Let it Ride games only. Changing to link "games with the same odds" to a progressive jackpot; The odds of hitting a Royal Flush are the same on any 52-card deck game, etc.
- The effect of this rule change will be: This will allow casinos to link a progressive jackpot on Let it Ride with Mississippi Stud with Caribbean Stud or with any other proprietary game that have the same odds to get a Royal Flush, etc.
- 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): \_\_\_\_\_





5/19/2015

<b>Fortune 7 Baccarat - P1 (\$1)</b>		Meter Seed Contribution		1.460%	Based on Minimum Bet	Based on Average Bet
Target Return	20.00%	Fixed Pay Contribution	56.631%	0.780909	78.09%	Return 0.780909 78.09%
LAP Contribution Rate (Forced)	7	Envy Contribution	0.0000%	0.000000	0.00%	Reserve 0.000000 0.00%
Max Seats at Table (for Envy)		Contribution Rate	20.00%	0.219091	21.91%	Hold 0.219091 21.91%
Reserve Rate		Contribution Value	\$0.20			
"For 1" or "To 1" Payouts	For 1			Hit Frequency	0.069980	7.00% 1 in 14.3
Progressive (Minimum) Bet	\$1.00					
Average (Odds) Bet	\$1.00	Breakeven Reseed Value			First Time Meter Seed	\$2,000
Display Currency	Dollar (\$)	Reseed Breakeven			Estimated Meter Seed with Reserve	\$2,000

Hand Name	Probability	Occurs	Hand Odds	Odds Pays (For 1)	Prog. Pay	Envy Bonus	Meter Seed (Start Value)	Odds Payout	Estimated Average Progressive Win	First Time Average Progressive Win	Envy Avg. Win	Fixed Return	Prog. Return	Envy Return	Meter Seed Return	Share Rate
Double 3-Card 7 - w/ Rank & - Exact Matches	0.00000730	9,124,257,280	136,954	100%	100%		\$2,000	\$0	\$21,893	\$21,893	\$0	0.0000%	0.148977	0.000000	0.014603	0.7449
Double 3-Card 7 - w/ Rank Matches	0.00002501	31,249,428,480	39,988	100%	100%		\$2,000	\$0	\$2,189	\$2,189	\$0	0.0000%	0.051023	0.000000	0.000000	0.2551
Player and Banker 3-Card 7	0.00227963	2,848,629,445,632	439	100			\$2,000	\$5	\$0	\$0	\$0	33.834%	0.000000	0.000000	0.000000	0.0000
Player or Banker 3-Card 7	0.06766841	84,558,412,231,680	15	5			\$2,000	\$0	\$0	\$0	\$0	0.0000%	0.000000	0.000000	0.000000	0.0000
*Fortune 7 is 3-card total of 7	0.00000000						\$2,000	\$0	\$0	\$0	\$0	0.0000%	0.000000	0.000000	0.000000	0.0000
Losing Hand	0.93001965	1,162,152,153,512,770		0		\$0		\$0	\$0	\$0	\$0	0.0000%	0.000000	0.000000	0.000000	0.0000
<b>Grand Total</b>	1.00000000	1,249,599,568,875,840														
															Share Rate Expected Value	0.0000098025



## Scope

SHFL has developed a progressive paytable, and rules, for a variety of games that allow those games to be linked together offering a common jackpot. The philosophy for how this can be accomplished is explained.

## Multi-Game Link

Determining the probability of a winning event in a table game is based upon a certain number of cards, from out of a certain sized deck. For example, in three card poker the probability for a mini-royal (suited Ace-King-Queen) is:  $4 / C(52,3) = 4 / 22,100 = 0.0180995\%$ .

Traditionally, games of varying types offering progressive prizes have been segregated by game type, since each game's unique rules preclude a top prize with the exact same probability.

SHFL has changed that tradition by allowing different games to be connected together on the same progressive link. Current games that are able to be connected together are Big Raise Stud, Caribbean Stud, Let It Ride, Mississippi Stud, Crazy 4 Poker, Four Card Poker, Texas Hold 'Em Bonus, Ultimate Texas Hold 'Em, and (with certain modifications) Three Card Poker.

How will we do it? We will offer a paytable based upon a unique 5 card combination from a 52 card deck, thus setting the exact same probability for all events that have a payout.

For Big Raise Stud, Caribbean Stud, Let It Ride, and Mississippi Stud this is straight forward, as all of these games create a 5-card hand for the player. Albeit, some of these games may have community cards affecting the regular game's outcome, but the probability of a Royal Flush is the same, so long as the 5-card combination does not include a bigger pool of cards from which to form the best 5-card hand. In other words, the player is making their best 5-card hand from exactly 5 cards, not their best 5-card hand from 7 cards.

For Crazy 4 Poker and Four Card Poker, the concept is still straight forward, with a slight rules change. As both of these games (for the base game) have the player make their best 4-card hand from a possible 5-cards dealt to them. For resolution of the progressive wager, we simply include all 5-cards dealt to them, even though only 4 cards are used to resolve all other bets.

For hold 'em games, such as Texas Hold 'Em Bonus and Ultimate Texas Hold' Em, it is easy to copy the model used in Let It Ride. Each player gets two cards, and the game progresses by revealing a total of 5 community cards. For regular play, the players then make their best 5-card hand from a possible 7 cards in play. For resolving a 5-card progressive wager using exactly 5 cards, we will base the winning combinations on the player's two cards, and the first 3 community cards revealed, which is commonly called the flop. In both games, the flop is revealed all at once, meaning all 3 cards are turned up simultaneously.

For Three Card Poker, we can accomplish making a 5-card hand by drawing two additional community cards, with the sole purpose of making a hand for the progressive wager. These two community cards are combined with the player's three cards to form a five card hand.

By using this methodology, of slightly changing the rules of play for each of these games, we can "normalize" the progressive determination method to all use exactly 5 cards out of a 52 card deck. This results in the same probability of a winning combination for a given hand across multiple game types. And from this, we can offer a common progressive prize across these games.

In the end, this all adds up to more tables contributing to a jackpot prize, increasing the speed of prize growth, and ultimately resulting in top progressive wins more frequently.

# Nexus Multi-Game Link Progressive

## RULES OF PLAY:

There are several possible progressive game titles that can be linked together for one common progressive jackpot. All progressive pays are based on a 5 card poker hand. The 5 card hand is determined depending on the base game. For example, Let It Ride and Mississippi Stud use community cards as well as the player's hole cards to make the 5 card hand. Whereas, Crazy 4 Poker utilizes all 5 cards in the player's hand (even though the base game utilizes only four out of five of player's cards). The Rules of Play do not change from the previously approved games.

The games that can be linked to a Nexus Multi-Link Progressive payable are:

- Caribbean Stud
- Let It Ride
- Mississippi Stud
- Crazy 4 Poker
- Four Card Poker
- Texas Hold'em Bonus
- Ultimate Texas Hold'em

1. The paytables shown have been designed to work on a link with different games all linked together. These paytables all define a 5 card winning hand from a standard 52 card deck. Sample payable below:

Hand	PMG	
	Pays*	Envy
Royal Flush	100%	\$1,000
Straight Flush	10%	\$300
4 of a Kind	300 for 1	
Full House	50 for 1	
Flush	40 for 1	
Straight	30 for 1	
Three of a Kind	9 for 1	
*Original Wager is NOT Returned		
Wager amount	\$1	

2. The meter will be reseeded when the 100% award hits. The cost of the reseed has been factored in to the casino's mathematical advantage.
3. To begin each round, players must make their regular game's wager. They may optionally place any bonus wagers and the progressive wager. Players must place the progressive wagers on the sensor in front of their betting position. The sensor will light up.

4. Once all players place their bets, the dealer will press “START GAME” on the keypad. The sensors will then light up, indicating a progressive wager. The dealer will then remove all progressive bets from the table.
5. The dealer then follows house procedures for dealing the regular game.
6. The dealer reconciles the standard wager, any bonus wagers and progressive pays based on the procedures for the regular game. All hands are resolved at the same time. Folded hands do NOT qualify for payouts on the progressive wager. Follow the procedure in the next section for reconciling percentage pays from the progressive meter.
7. Progressive winners:
  - a. The percentage pays are paid from the progressive jackpot shown on the progressive meter.
  - b. Other hands are paid from the tray; they do not come off the meter.
  - c. In the event more than one progressive meter pay hits during the same round, see Appendix A attached for resolution of the progressive hands.
  - d. When a player has a progressive winner, the dealer will select the player spot corresponding to the player with the winning progressive hand. The dealer will then press the appropriate hand button on the display. (If the hand button is pressed by accident, pressing it again will turn it off.)
  - e. The dealer shall then contact a supervisor.
  - f. Once the casino verifies the progressive win, the supervisor will press the confirm button. To complete the action, a Supervisor or Executive card (depending on jackpot level) swipe is required. This records the win onto the Game Manager computer and adjusts the meter appropriately for the prize won. House procedures are then followed for paying the prize. (Reviewing the monitor connected to the Game Manager will show the prize amount to be paid, and pressing the “money bag” icon will print a win page, which can be used to help record the payout for accounting.)
  - g. When the dealer reconciles all action, he presses “END GAME.” This resets the system to begin the next hand.
  - h. Once the Supervisor or Executive card (depending on jackpot level) is swiped the prize is logged into Game Manager. If the progressive pay needs to be backed out at this point, the award will need to be manually backed out using the Game Manager manual adjustment feature.

8. Envy Bonus:
- a. A player making the progressive wager also qualifies to win an envy payout. If another player at the table hits a hand associated with an envy pay, all other players who made the progressive bet win the envy pay. The player hitting the hand receives the normal prize pay only, but does NOT receive the envy pay. **Rule of thumb: You can't win an envy bonus pay from yourself, or the dealer. Envy Bonuses should only be paid to player's at the table where the qualifying hand occurred.**
  - b. If a player's hand triggers an envy payout, the dealer will leave the hand face-up on the layout; otherwise, the dealer will lock up the cards. The dealer will then move on to the next player.
  - c. The dealer pays any Envy Bonuses at the end of the round. In the event that more than one player is involved in a qualifying envy pay, then all players win multiple envy payouts.

*All progressive games will use the approved Bally Gaming owned progressive system containing the following components and their compatible software versions: Nexus Command Game Manager v1.3.0 or higher, Nexus Command Table Controller Software v2.0.0 and a Progressive display. The progressive display can either be provided by Bally or the operator.*

*Operators cannot allow wagering limits to exceed the authorized limits set out in WAC 230-15-040 and WAC 230-15-140.*

*Players are limited to wagering on a maximum of four games. Card Room operators are required to post on the layout or on a placard at the table that the players are limited to wagering on a maximum of four games.*



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5-18-2015

Ms. Tina Griffin  
Assistant Director  
Washington State Gambling Commission  
4565 7<sup>th</sup> Avenue S.E.  
Lacey, WA 98503

RE: Progressive Jackpots for Multi-Games

Dear Ms. Griffin:

Washington Gold Casinos is very interested in placing a Bally Gaming progressive system that can link multiple game titles together for one large jackpot. It is our understanding that the Bally Gaming owned progressive system has the capability to link their progressive games together but currently cannot implement this and still be compliant with WSGC regulations.

Therefore, we would like this letter to serve in support of the Bally Gaming rule petition to allow multi-game progressive jackpots and respectfully request your review and approval of this petition.

Please let us know if we can be of any assistance.

Sincerely,

Victor Mena  
Chief Operating Officer  
V.P. Washington Operations for Nevada Gold

**From:** Stacy Friedman [<mailto:stacy@olympiangaming.com>]  
**Sent:** Monday, August 03, 2015 4:37 PM  
**To:** Harris, Mark (GMB)  
**Subject:** Comments on proposed rule amendment

Dear Mr. Harris,

I'm writing to provide comments on the proposed petition from Bally to amend WAC 230-15-685. By way of introduction, I operate Olympian Gaming, WSGC-licensed distributor number 21-00258.

I believe the intent of the amendment is sound, and I generally support technologies that enhance player excitement such as linked progressive jackpots. However, I believe proposed section (6)(a) would be anti-competitive. Mathematically, section (6)(b) ensures that each player at each different table has the same probability of winning the jackpot – and therefore each player has the same mathematical expectation. However, restricting the linked card games to a single licensed manufacturer would preclude a cardroom operator from building a larger jackpot pool by linking games with equally-likely jackpot hands if those games are from different manufacturers. Under the proposed rules, for example, a casino operator would not be able to create a linked royal flush jackpot from Bally's Let It Ride, Galaxy's Heads Up Hold 'Em (using the first 5 cards), and AGS's Criss Cross Poker, even though all three of those games mathematically have identical chances of yielding a royal flush in five cards – as does any other game dealt with five cards from a single deck with no wildcards. I believe that such regulation would be anti-competitive because, all other things considered, an operator with an existing linked progressive jackpot between three tables from a single manufacturer would be less likely to consider a new game from a new manufacturer as compared to a new game from the existing manufacturer. I believe that such disincentives to competition should be avoided.

I also believe that section (6)(c) is unnecessary. Mathematically, section (6)(b) covers the important requirement that the triggering condition for different games have the same probability, whatever it is. As such, it is redundant and, in my opinion, overly narrow to require that not only is the probability identical, but so are the cards in the hand. For example, a poker-based jackpot using a royal flush in spades has the same probability as an ace-through-five straight flush in hearts, but those are not the same hand. Similarly, a pair of kings of spades in the first two cards in blackjack has the same probability as a pair of queens of hearts in blackjack, but those are not the same hand. This second example is specifically directed to Bally's King's Bounty side bet and Galaxy Gaming's Lucky Ladies side bet. For a given number of decks, the probability of a jackpot triggering hand of "player queen of hearts pair with dealer blackjack" is equal to the probability of "player king of spades pair with dealer blackjack." I submit that a cardroom operator that wants to operate both Lucky Ladies and King's Bounty should be able to link a progressive jackpot meter across both games. I recognize that there may be technical interoperability limitations in the systems that manage those progressive jackpots, but I don't believe that such technology considerations should be precluded by regulation. Indeed, I believe more flexibility in the regulations would encourage progressive systems vendors to provide superior products, which would be good for both operators and the gambling public.

In summary, it is my opinion that proposed sections (6)(a) and (6)(c) be rejected. I support the addition of sections (6), (6)(b), and (6)(d).

Thank you for your consideration,

Stacy Friedman  
Olympian Gaming, LLC – The Advantage Is Yours  
Casino Game Design, Mathematical Analysis, Expert Witness Testimony  
<http://www.olympiangaming.com>

**From:** Stacy Friedman [mailto:stacy@olympiagaming.com]  
**Sent:** Wednesday, September 02, 2015 1:55 PM  
**To:** Newer, Susan (GMB) <susan.newer@wsgc.wa.gov>  
**Cc:** Harris, Mark (GMB) <mark.harris@wsgc.wa.gov>  
**Subject:** RE: Bally Petition

Hi Susan,

Thank you for sending me that information. I have reviewed the originally-filed petition that requests jackpots linked on "games with the same odds" (on the cover letter and on p. 2), and that enforces my opinion that the language in proposed sections 6, 6(b) and 6(d) are sufficient to fully satisfy Bally's original request.

In fact, in the document entitled "Different Games – Common Progressive", SHFL describes that they "will offer a payable based upon a unique 5 card combination from a 52 card deck, thus setting the exact same probability for all events that have a payout." But that does not imply that the unique combination will be the same across all games, merely that it has the same probability. For example, SHFL (or another manufacturer) may develop a lowball poker game where the most valuable hand is suited-7,5,4,3,2 and that hand should be the linked progressive triggering hand. Proposed section 6(c) would preclude that game design even though the probability of that hand is the same as a royal flush. Proposed section 6(a) would further preclude that link if the game were developed by anyone other than SHFL, even if the game would use Bally's progressive management system.

Therefore I reiterate my recommendation that sections 6(a) and 6(c) be rejected but sections 6, 6(b) and 6(d) be adopted.

Thank you sincerely,  
Stacy Friedman  
Olympian Gaming, LLC – The Advantage Is Yours  
Casino Game Design, Mathematical Analysis, Expert Witness Testimony  
<http://www.olympiagaming.com>

**From:** Newer, Susan (GMB) [mailto:susan.newer@wsgc.wa.gov]  
**Sent:** Wednesday, September 2, 2015 11:43 AM  
**To:** [stacy@olympiagaming.com](mailto:stacy@olympiagaming.com)  
**Cc:** Harris, Mark (GMB) <[mark.harris@wsgc.wa.gov](mailto:mark.harris@wsgc.wa.gov)>  
**Subject:** Bally Petition

Hi Stacy,

You has submitted comments on the Bally petition that was filed at the August Commission meeting, so I wanted to let you know that the petition is up for further discussion at next week's Commission meeting in Spokane. It will be discussed Friday, September 11. [Click here for the September Commission meeting information.](#)

If you have any questions, please let me know.

Sincerely,  
*Susan Newer*  
Rules Coordinator & Public Information Officer  
Washington State Gambling Commission  
(360) 486-3466

Proposed Rule Changes:

New Section: WAC 230-15-042 Requirements for authorized card games for enhanced table games.



Amended Sections:

- WAC 230-15-040 Requirements for authorized card games for non-enhanced table games.
- WAC 230-15-055 Limit on number of players at each table.
- WAC 230-15-110 Standards for chips.
- WAC 230-15-115 Standards for cards.
- WAC 230-15-140 Wagering limits for house-banked card games.
- WAC 230-15-465 Dealing all house-banked card games from a dealing shoe.
- WAC 230-05-025 Commercial stimulant fees.
- WAC 230-06-031 Using wheels in promotional contests of chance, fund-raising events, or gambling activities.

**October 2015 – Up for Discussion and Possible Filing**

**September 2015 – Study Session**

**August 2015 – Study Session**

ITEM 6(a): October 2015 Commission Meeting Agenda.

Statutory authority: RCW 9.46.070 (1),(10), (16) and RCW 9.46.0209(1)(b)(iii)

**Who proposed the rule change?**

Monty Harmon, licensed gambling service supplier, representing Harmon Consulting, Inc.

**Proposed Change**

Monty Harmon, licensed service supplier, submitted a petition for rule change on July 22, 2015, requesting approval of “enhanced” house-banked card games. The submission did not include any new rules or proposed changes to any existing rules.

- On August 13, 2015, the petition was discussed at the Commission meeting Study Session without any proposed rule changes.
- On August 17, 2015, the petitioner submitted proposed changes to two rules. Staff followed up with the petitioner on the lack of detail in the changes submitted and the potential policy and regulatory considerations.
- On August 19, 2015, the petitioner submitted a revised version of one of the previously submitted rules and a new third rule. Staff again followed up with the petitioner on the lack of detail in the changes submitted and the potential policy and regulatory considerations.
- Just before the September 11, 2015, at the Commission meeting Study Session, the petitioner gave staff the attached letter dated September 10, 2015, and a package of rules that included changes to six additional rules.
- The petition was on the September Study Session at the Commission Meeting but again was only briefly discussed as petitioner gave staff the attached letter dated September 10, 2015, and a package of rules that included changes to two of the previously provided rules and changes to six additional rules right before the start of the study session.

The petitioner described the intent of his rule changes in his September 10, 2015, letter is to open discussion with the Commission to allow for the approval of more advanced card games. The petitioner set forth the following potential enhanced card game features in his letter:

1. More betting spots are allowed per player position.
2. More betting spots can have the maximum (currently \$300) placed on them.
3. Bets can carryover as more cards or hands are dealt. An example would be a game called card craps where a hand with a certain point value is established and bets are paid and placed as the game continues until a certain hand occurs.
4. Bets may be placed on the outcome of another player's hand.
5. Community cards may be used by all players, rather than each player having their own hand. One such game is a horse race game where the four suits in the deck raced against each other based on the order they were dealt from a shoe.
6. The games would have to be approved by staff under conditions that allow for more betting on various outcomes and still within the current maximum wager allowed.
7. The game distributor/provider would have the burden of proving to commission staff that the game could be operated with minimal regulatory concerns.

Attachments:

- Letter dated September 10, 2015, the petitioner handed out at the September 2015 Commission meeting. The attached rules were handed out with the letter.
- Petition for rule change discussed at the August 2015 Study Session.

Impact of the Proposed Change

Mostly unknown. A cursory review of the rules noted the following preliminary concerns, which have been relayed the petitioner:

- No details on what an enhanced card game is.
- No definitions for new terms.
- No criteria is included in the rules to for the Commission to base approving enhanced card games.
- No details on how to determine value of non-value chips.
- No definition of what a card selection device is.

Potential costs to manufacturers for staff to review the manufacturer's card games to determine game classification. For example, a card game may offer six potential games within a card game; however, operators are currently limited to using only four games by WAC rule. Under the petitioner's proposal, enhanced card games could offer all six games, while non-enhanced card games would still be limited to four games. Both enhanced and non-enhanced versions of the card game could be offered within the same card room and at different card rooms. Players may be confused due to multiple versions of the same card game being approved for operation.

Potential costs to game developers to have enhanced table games certified by an independent gambling lab.

The petitioner proposes an additional \$5,000 license fee to be imposed on house-banked card game operators that offer enhanced card games.

**A Small Business Economic Impact Statement** has not been prepared.

Regulatory Concerns
<p>Staff have the following preliminary regulatory concerns:</p> <ul style="list-style-type: none"> <li>• No basis for denying an enhanced card game.</li> <li>• Would \$5,000 be enough to cover the costs of the agency's regulatory time?</li> <li>• Could have house-banked card room licensees operating enhanced versions of games without paying the fee due to multiple variations of the same game.</li> </ul>
Resource Impacts
<p>Additional staff time will be needed to:</p> <ul style="list-style-type: none"> <li>• Review new games submitted for approval and increased regulatory time.</li> <li>• Review the 146 approved card games to determine game classification.</li> </ul>
Policy Consideration
<p>Mostly unknown, as staff needs time to review the proposed rule changes. A cursory review of the rules noted the following potential policy impacts, which were relayed to the petitioner:</p> <ul style="list-style-type: none"> <li>• Card games that could be authorized under these new rules may not meet the definition of a social card game.</li> <li>• No limitations on card games.</li> <li>• Card games that could be authorized under this rules package could now have an unlimited number of games.</li> <li>• Uncertain what the wager limits would be as the change to the rule limits the wager per "area" to \$300.</li> <li>• Allows the use of non-standard cards and non-valued chips for all card games.</li> <li>• Allows an unlimited number of players at enhanced card game tables.</li> <li>• It is unclear whether a wheel would qualify as a shuffling device or a card delivery device.</li> </ul>
Statements Regarding the Proposed Rule Change
None.
Licensees/Stakeholders Directly Impacted By the Change
House-banked card game licensees, manufacturers, distributors, and service suppliers.
Staff Recommendation
<p>Staff recommends denying the petition for the following reasons:</p> <ul style="list-style-type: none"> <li>• The proposed rule changes include undefined terms, ambiguous language, lack of criteria and insufficient details.</li> <li>• The petitioner indicates in his letter dated September 10, 2015, there are additional rules and/or rule language that would need to be amended, which are not included in his submission.</li> </ul>
Proposed Effective Date for Rule Change
The petitioner has not requested a specific effective date.



## Harmon Consulting, Inc.

1732 Camden Pl SW Olympia, WA 98512 360-888-8861

**Via email: Susan.Newer@wsgc.wa.gov**

September 10, 2015

Susan Newer, Public Information Officer  
Washington State Gambling Commission  
PO Box 42400  
Olympia, WA 98504-2400

**RE: Request For New Rule Enhanced Card Tables, WAC 230-15-042**

Dear Ms. Newer,

Since staff's modifications to WAC 230-15-040 will be delayed to sometime in the future, I would like to place my petition up before the commissioners for filing for further discussion in October. It is my understanding that future changes to WAC 230-15-040 by staff will hopefully simplify the rule, to clarify a level of card games the commission staff has historically allowed.

My hope is that the commissioners would be interested in filing my rule petition for WAC 230-15-042 to begin discussing the possibility of authorizing staff to look at approving more complex games while providing guidelines for their approval. In my initial discussions with commission staff, it has come to my attention that my rule petition would conflict with other rules which would also require a modification to allow for the approval of more complex games sought in my petition. WAC 230-15-040 is one of those rules so my petition will include an amendment to WAC 230-15-040.

In the past, the commission has restricted the number and size of bets and therefore the types of card games. Due to the relatively young age of the card room industry in Washington and other regulatory concerns at the time, this was a good policy to employ. Over the years the card rooms and regulatory staff in Washington have matured. We have collectively proven our capacity to work together to operate the approved games in a manner that protects the integrity of the games and industry. During this time, the industry has worked with other regulators to modernize and developed many interesting card games that are not allowed in Washington State but which are operated successfully in other states.

My petition to allow enhance table games in Washington is intended to open discussions with the Gambling Commission to develop guidelines in the WAC rules for the approval of more advanced card games under certain conditions. At the Commission meeting in April 2015, the

Recreational Gaming Association presented a State of the Industry report. This report showed the need for someone to consider what can be done if the industry is to remain viable. At this time, the number of card rooms is at an all-time low and minimum wage issues being discussed in political circles would devastate the card rooms due to them being a labor intensive business.

The card room industry gross gambling receipts have declined since 2005 and have been relatively stagnant in the past six years. With stagnant revenues, the state of the industry will continue to decline as costs rise. Cost increases such as minimum wage and health care benefits cannot be passed on to customers by the card rooms through price increases. The employees at card rooms are operating games restricted by the WAC rule limitations the commission has placed on the number of betting spots, the number of maximum bets, and types of card games that may be approved.

Enhanced table games would allow card rooms to provide more interesting table games that could go beyond the limitations of WAC 230-15-040. It is my hope that the commissioners would file WAC 230-15-042 for further discussion in order for the commission to consider whether they would allow commission staff to approve enhanced table games where:

1. More betting spots are allowed per player position.
2. More betting spots can have the maximum (currently \$300) placed on them.
3. Bets can carryover as more cards or hands are dealt. An example would be a game called card craps where a hand with a certain point value is established and bets are paid and placed as the game continues until a certain hand occurs.
4. Bets may be placed on the outcome of another player's hand.
5. Community cards may be used by all players, rather than each player having their own hand. One such game is a horse race game where the four suits in the deck raced against each other based on the order they were dealt from a shoe.
6. The games would have to be approved by staff under conditions that allow for more betting on various outcomes and still within the current maximum wager allowed.
7. The game distributor/provider would have the burden of proving to commission staff that the game could be operated with minimal regulatory concerns.

In submitting this rule petition, it is my hope to provide a venue for card rooms in Washington to operate more complex games under certain conditions. I have spoken to some of the card room operators and all responded that they would be willing to cover any increased cost to regulate these games by paying an additional annual license fees to be able to operate what I call "enhanced table games".

Since the August Study Session, I have worked with staff to reword portions of my new rule and consider how it impacts the other rules. I have determined there may be a need to amend some

other existing rules to accomplish what I had hoped to introduce through my petition. The types of games I hope will be allowed as enhanced card games are the type of card games commission staff and I saw being marketed in Las Vegas at the Gaming Expo last September. The RCW allows "social card games". These games presented a social interaction among different players at a table where a standard deck of cards determines the outcome of the games bet upon.

I am hopeful that the commissioners will be willing to file my rule petition and any accompanying rule amendments for further discussion and consideration.

I would appreciate any assistance that commission staff could provide in helping me to successfully modify the WAC rules to present this package. As my submission is reviewed, I will make time to discuss with staff proposed changes to my request necessary to address any concerns they may have. I am very open to suggestions from staff on how to improve this proposed rule change to eliminate concerns they or the commissioners may have.

Sincerely,

A handwritten signature in cursive script that reads "Monty Harmon".

Monty Harmon, President  
Harmon Consulting, Inc.

## **NEW SECTION:**

### **WAC 230-15-042**

#### **Requirements for authorized card games for Enhanced Table Games.**

(1) In order for a card game to be authorized as an Enhanced Table Game, it must exceed the operating limitations of WAC 230-15-040 and be approved by the director or the director's designee and must:

(a) Be played with playing cards or with electronic card facsimiles approved by the director or the director's designee; and

(b) Identify "bonus features" to be allowed in each card game:

(i) "Bonus feature" means an added prize and/or variation based on achieving the predetermined specific hand required to win the prize and does not require a separate wager.

(ii) More than one "bonus feature" may be offered per card game.

(c) Not allow side bets between players.

(d) Provide each player with a hand and/or a community card or cards upon which the outcome of their bet(s) is determined.

(2) Card game licensees may use more than one deck of cards for a specific game. They also may remove cards to comply with rules of a specific game.

(3) Players must:

(a) Compete against all other players on an equal basis for nonhouse-banked games or against the house for house-banked games.

(b) Be responsible for decisions regarding their bets, such as whether to decrease or raise their wager; and

(c) The number of players is limited under WAC 230-15-055.

(d) Not exceed the wager limit under WAC 230-15-140 when spreading their wager in a betting area provided for a particular game featured within a hand.

(4) A player's win or loss must be determined during the course of play of a single or series of card games and carryover jackpots which must be concluded by the end of the gaming day. Game rules must state how the pot is distributed. If the carryover pot has not been won by the end of the gaming day, the dealer will divide it equally between the remaining players still participating in the pot and the house or, if allowed by game rules, only the players still participating in the pot; and

(5) A player may make an optional wager on the outcome of more than one consecutive game as designated in the game rules approved by the commission.

(6) It will be the burden of the applicant desiring approval of a game to demonstrate the game can be operated without significant regulatory problems by having an independent gaming lab certify the accuracy of the theoretical hold calculations and provide documentation showing the game has been operated successfully in other jurisdictions.

[Statutory Authority: RCW 9.46.070 and 9.46.0282. WSR 14-05-056 (Order 694), § 230-15-040, filed 2/14/14, effective 3/17/14; WSR 14-03-099 (Order 693), § 230-15-040, filed 1/17/14, effective 2/17/14; WSR 12-15-044 (Order 678), § 230-15-040, filed 7/13/12, effective 8/13/12; WSR 09-17-076 and 09-17-105 (Orders 656 and 656-A), § 230-15-040, filed 8/14/09 and 8/18/09, effective 9/14/09 and 9/18/09. Statutory Authority: RCW 9.46.070. WSR 08-21-086 (Order 632), § 230-15-040, filed 10/14/08, effective 1/1/09; WSR 07-09-033 (Order 608), § 230-15-040, filed 4/10/07, effective 1/1/08.]

## WAC 230-15-040

### Requirements for authorized card games for non-enhanced Table Games.

(1) In order for a card game to be authorized, it must be approved by the director or the director's designee and must:

(a) Be played with standard playing cards or with electronic card facsimiles approved by the director or the director's designee; and

(b) Offer no more than four "separate games" with a single hand of cards and no more than three of the "separate games" may offer a wager that exceeds five dollars each.

(i) "Separate game" means each individual objective to be achieved within a card game that requires a separate wager and results in a distinct and separate pay out based upon the outcome.

(ii) Progressive jackpots are considered "separate games."

(c) Identify "bonus features" to be allowed in each card game:

(i) "Bonus feature" means an added prize and/or variation based on achieving the predetermined specific hand required to win the prize and does not require a separate wager. More than one "bonus feature" may be offered per card game. A "bonus feature" must not be combined with a progressive jackpot. Examples include, but are not limited to, "envy" and "share the wealth" "bonus features" when operated as described below.

(ii) A "bonus feature" is not considered a separate game.

(d) Operate "envy" and "share the wealth" "bonus features" as follows:

(i) If a player makes a wager that qualifies for an "envy" "bonus feature" pay out, they are entitled to receive a prize if another player's hand achieves the predetermined specific hand. If a player is playing more than one wagering area or if a hand they are playing is split into two or more hands and any one of their hands achieves the predetermined specific hand, their other hand with a qualifying wager is entitled to receive a prize also.

(ii) If a player makes a wager that qualifies for a "share the wealth" pay out, they are entitled to receive a prize if their hand(s) or another player's hand(s) achieves the predetermined specific hand.

(e) Not allow side bets between players.

(2) Card game licensees may use more than one deck of cards for a specific game. They also may remove cards to comply with rules of a specific game, such as Pinochle or Spanish 21.

(3) Players must:

(a) Compete against all other players on an equal basis for nonhouse-banked games or against the house for house-banked games. All players must compete solely as a player in the card game, except as authorized in approved card game rules for

variations of the game of Pai Gow poker where a player may bank the game every other hand; and

(b) Receive their own hand of cards and be responsible for decisions regarding such hand, such as whether to fold, discard, draw additional cards, or raise the wager; and

(c) Not place wagers on any other player's or the house's hand or make side wagers with other players, except for:

(i) An insurance wager placed in the game of Blackjack; or

(ii) "Envy" or "share the wealth" "bonus features"; or

(iii) A tip wager made on behalf of a dealer.

(4) Mini-Baccarat is authorized when operated as described in the commission approved game rules on our web site. However:

(a) Card game licensees may make immaterial modifications to the game; and

(b) Subsection (3) of this section does not apply; and

(c) The number of players is limited under WAC 230-15-055.

(5) A player's win or loss must be determined during the course of play of a single card game, except for:

(a) A carryover pot game. A carryover pot is an optional pot that accumulates as a dealer and participating players contribute to the pot. The winner of the pot is not necessarily determined after one game and the pot can be carried over to more than one game. Carryover pots must not carryover more than ten games. Participants must include at least one player and the dealer competing for the highest qualifying winning hand. Game rules must state how the pot is distributed. If the carryover pot has not been won by the tenth game, the dealer will divide it equally between the remaining players still participating in the pot and the house or, if allowed by game rules, only the players still participating in the pot; and

(b) In the game of Mini-Baccarat, a player may make an optional wager on the player hand winning the next three consecutive games, or the banker hand winning the next three consecutive games.

[Statutory Authority: RCW 9.46.070 and 9.46.0282. WSR 14-05-056 (Order 694), § 230-15-040, filed 2/14/14, effective 3/17/14; WSR 14-03-099 (Order 693), § 230-15-040, filed 1/17/14, effective 2/17/14; WSR 12-15-044 (Order 678), § 230-15-040, filed 7/13/12, effective 8/13/12; WSR 09-17-076 and 09-17-105 (Orders 656 and 656-A), § 230-15-040, filed 8/14/09 and 8/18/09, effective 9/14/09 and 9/18/09. Statutory Authority: RCW 9.46.070. WSR 08-21-086 (Order 632), § 230-15-040, filed 10/14/08, effective 1/1/09; WSR 07-09-033 (Order 608), § 230-15-040, filed 4/10/07, effective 1/1/08.]

## **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 [approved enhanced table games](#) or Mini-Baccarat when the game is operated according to the nonpatented approved game rules posted on the agency's web site and without any modifications as allowed in WAC 230-15-040.

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

[Statutory Authority: RCW 9.46.070 and 9.46.0282. WSR 15-15-065 (Order 714), § 230-15-055, filed 7/10/15, effective 8/9/15. Statutory Authority: RCW 9.46.070. WSR 08-23-079 (Order 637), § 230-15-055, filed 11/18/08, effective 1/1/09; WSR 07-09-033 (Order 608), § 230-15-055, filed 4/10/07, effective 1/1/08.]

## **WAC 230-15-110**

### **Standards for chips.**

(1) Chips must be of conventional size and design that maximize the integrity of the card games. Chips must be identifiable as belonging to the licensee and must:

(a) Include the house name or logo; and

(b) Denote the chip value unless values are assigned when sold at a table using colored chips to distinguish players bets; and

(c) Be made by a licensed manufacturer; and

(d) Be purchased from a licensed manufacturer or distributor.

(2) Class D licensees are exempt from subsection (1) of this section.

(3) Card game licensees must:

(a) Safeguard all chips in their possession; and

(b) Not allow any other person to buy or sell chips for use in card games on their premises.

(4) Class A, B, C, and E licensees with five or fewer tables may use chips without a house name or logo if the chips are identifiable as belonging to the licensee and they prominently post values of the chips in the card room.

[Statutory Authority: RCW 9.46.070. WSR 07-09-033 (Order 608), § 230-15-110, filed 4/10/07, effective 1/1/08.]

## **WAC 230-15-115**

### **Standards for cards.**

(1) Card game licensees must:

(a) Supply cards of conventional size and design to maximize the integrity of the card games; and

(b) Safeguard all cards; and

(c) Not allow cards that have been modified or marked in any manner.

(2) For Class E, Class F, and house-banked games, the cards must:

(a) Be made by a licensed manufacturer; and

(b) Be purchased from a licensed manufacturer or distributor.

(3) Cards with the house name or logo must be used for house-banked card games.

[Statutory Authority: RCW 9.46.070. WSR 09-11-087 (Order 648), § 230-15-115, filed 5/18/09, effective 7/1/09; WSR 07-09-033 (Order 608), § 230-15-115, filed 4/10/07, effective 1/1/08.]

## **WAC 230-15-140**

### **Wagering limits for house-banked card games.**

(1) A single wager or a bonus wager for an odds-based pay out must not exceed three hundred dollars.

(2) A player may make a single wager for each decision before the dealer deals or reveals additional cards. For Blackjack, the player may place an additional wager for doubling down or splitting pairs.

(3) Bonus wagers for progressive jackpots must not exceed manufacturer's rules or limits listed in subsection (1) of this section.

(4) Wagers may be spread in an area with more than one betting spot as long as the cumulative total wager in that area does not exceed limits listed in subsection (1).

[Statutory Authority: RCW 9.46.070. WSR 08-20-025 (Order 631), § 230-15-140, filed 9/19/08, effective 1/1/09; WSR 07-09-033 (Order 608), § 230-15-140, filed 4/10/07, effective 1/1/08.]

## **WAC 230-15-465**

### **Dealing all house-banked card games from a dealing shoe.**

House-banked card game licensees must deal all house-banked card games from a dealing shoe or a shuffling device we have approved with the exception of single and double deck card games which may be dealt by hand or other card selection device approved by the director or director's designee.

[Statutory Authority: RCW 9.46.070 and 9.46.0282. WSR 14-11-021 (Order 699), § 230-15-465, filed 5/9/14, effective 7/1/14. Statutory Authority: RCW 9.46.070. WSR 07-09-033 (Order 608), § 230-15-465, filed 4/10/07, effective 1/1/08.]

**WAC 230-05-025**

**Commercial stimulant fees.**

All commercial stimulant license applicants must pay the following fees to us when applying for gambling licenses:

**1. Card games - Nonhouse-banked**

License	Description	Fee
<b>Class B</b>	Up to five tables of limited card games - hearts, rummy, pitch, pinochle, and/or cribbage - fee to play	\$200
<b>Class C</b>	Tournament only, no more than thirty consecutive days per tournament	
C-5	Up to five tables	\$200
C-10	Up to ten tables	\$367
C-15	Up to fifteen tables	\$611
<b>Class D</b>	Up to five tables - no fee to play	\$63
<b>Class E</b>	Fee to play	
E-1	One table only	\$488
E-2	Up to two tables	\$840
E-3	Up to three tables	\$1,398
E-4	Up to four tables	\$2,804
E-5	Up to five tables	\$4,220
Additional tables	Per table - up to a maximum of fifteen	\$1,222
<b>Class F</b>	Endorsement/upgrade of Class E includes permission to use alternative fee collections and use of player-supported jackpots	\$1,836

**2. Card games - House-banked**

All tables within a card room operating any house-banked card game must be licensed under this license class.

License	Fee
Annual	\$7,362
Additional fee per table - up to fifteen tables	\$1,836
Additional Annual fee for Enhanced Table(s)	\$5,000

**3. Punch boards and pull-tabs**

License	Annual Gross Gambling Receipts	Fee	One Time Variance*
Class A	Up to \$50,000	\$666	\$5,000
Class B	Up to \$100,000	\$1,190	\$5,000

<b>License</b>	<b>Annual Gross Gambling Receipts</b>	<b>Fee</b>	<b>One Time Variance*</b>
Class C	Up to \$200,000	\$2,244	\$10,000
Class D	Up to \$300,000	\$3,266	\$10,000
Class E	Up to \$400,000	\$4,220	\$10,000
Class F	Up to \$500,000	\$5,094	\$10,000
Class G	Up to \$600,000	\$5,904	\$10,000
Class H	Up to \$700,000	\$6,646	\$10,000
Class I	Up to \$800,000	\$7,320	\$10,000
Class J	Up to \$1,000,000	\$8,302	\$20,000
Class K	Up to \$1,250,000	\$9,214	\$25,000
Class L	Up to \$1,500,000	\$10,064	\$25,000
Class M	Up to \$1,750,000	\$10,766	\$25,000
Class N	Up to \$2,000,000	\$11,402	\$25,000
Class O	Up to \$2,500,000	\$12,530	\$30,000
Class P	Up to \$3,000,000	\$12,952	\$35,000
Class Q	Up to \$4,000,000	\$15,264	\$40,000
Class R	Up to \$5,000,000	\$17,344	\$50,000
Class S	Up to \$6,000,000	\$19,658	\$60,000
Class T	Up to \$7,000,000	\$21,972	\$70,000
Class U	Up to \$8,000,000	\$24,282	\$80,000
Class V	Over \$8,000,000	\$26,596	\$80,000

\*See chapter 230-06 WAC, Exceeding license class.

[Statutory Authority: RCW 9.46.070. WSR 14-19-123 (Order 704), § 230-05-025, filed 9/17/14, effective 11/1/14; WSR 07-23-083 (Order 621), § 230-05-025, filed 11/20/07, effective 1/1/08; WSR 07-03-082 (Order 606), § 230-05-025, filed 1/18/07, effective 1/1/08; WSR 06-07-157 (Order 457), § 230-05-025, filed 3/22/06, effective 1/1/08.]

## **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 unless specifically authorized in the approved game rules posted on the agency's web site; 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.

(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.

[Statutory Authority: RCW 9.46.070. WSR 07-21-116 (Order 617), § 230-06-031, filed 10/22/07, effective 1/1/08.]

## Newer, Susan (GMB)

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**From:** Monty Harmon [mharmon@evergreengaming.com]  
**Sent:** Wednesday, July 22, 2015 3:54 PM  
**To:** Newer, Susan (GMB)  
**Cc:** Harris, Mark (GMB)  
**Subject:** Rule Petition for Study Session in August  
**Attachments:** Enhanced Table Games 07222015.pdf

Susan,

Greetings. I hope all is well for you and staff now that the new transition of staff has been implemented.

I met with Mark Harris earlier in the week and mentioned my desire to possibly file a rule change amendment to allow for "Enhanced House Banked Table Games". It is my understanding the RCW authorized card games, but the WAC rules place additional restrictions on what can be approved for operation in Washington. In the past few years, I have attended G2E down in Las Vegas and seen many different card games that are house-banked and operated in other jurisdictions. However, the games are designed and operated in a manner which would not be allowed under current WAC. Washington's card room industry has matured over the years and is able to operate more complicated games that are available today.

I believe allowing more complex card games would be best accomplished through a new rule as these games would potentially have a higher cost to regulate due to their complexity and use of newer technology. By setting these tables apart in a separate rule, it would be easier to offset the cost to regulate with a new license fee (\$5,000 per card room location desiring to use enhanced tables) which would require an amendment to WAC 230-05-025 or a new rule? I have attached two Petitions for new rules. However, the license fee petition may simply be an amendment to 230-05-025. I have suggested a new rule for the license fee because your staff is in the process of reviewing license fee structures and it could become an issue come September or later. Please advise me on whether a new rule for the license fee is appropriate.

I am going on vacation tomorrow and will return with a draft of the rules based on your response to my question on 230-05-025. If I should amend that rule please send me word version of it for me to adjust. I would like to arrange a meeting with staff during the first week in August if possible to discuss my original draft. It would be my intention to have a draft ready in time for the study session in August.

Thank you and all the best,

Monty Harmon  
Evergreen Gaming, President



**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**

- 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/RClisf.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.**

to add a license fee for those qualified House-Banked Card Rooms desiring to operate Enhanced Card Table Games which exceed the limits imposed by WAC 230-15-040.

The subject (or purpose) of this rule is: \_\_\_\_\_

the current WAC rules do not allow Licensed House-Banked Card Rooms to operate more technically advanced or operationally complex card games that available in other markets.

The rule is needed because: \_\_\_\_\_

House Banked Card Rooms licensed by the Washington State Gambling Commission.

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: \_\_\_\_\_

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): \_\_\_\_\_



## 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.

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### CONTACT INFORMATION *(please type or print)*

Petitioner's Name Monty Harmon  
Name of Organization Harmon Consulting Inc.  
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### COMPLETING AND SENDING PETITION FORM

- Check all of the boxes that apply.
- Provide relevant examples.
- Include suggested language for a rule, if possible.
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- 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/RClst.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.**

to add a rule to allow qualified House-Banked Card Rooms desiring to operate Enhanced Card Table Games which exceed the limits imposed by WAC 230-15-040.

The subject (or purpose) of this rule is: \_\_\_\_\_

the current WAC rules do not allow Licensed House-Banked Card Rooms to operate more technically advanced or operationally complex card games that available in other markets.

The rule is needed because: \_\_\_\_\_

House Banked Card Rooms licensed by the Washington State Gambling Commission.

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: \_\_\_\_\_

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): \_\_\_\_\_