



Amend:

WAC 230-13-080 Operating coin or token activated amusement games.

- April 2016 – Final Action**
- March 2016 – Final Action**
- February 2016 – Further Discussion**
- January 2016 – Up for Discussion and Filing**
- December 2015 – No Meeting**

ITEM 3: April 2016 Commission Meeting Agenda.	Statutory Authority 9.46.070, 9.46.0201
Who proposed the rule changes?	
Licensed operators and stakeholders during the comment period on Group 12 amusement game rules.	
Proposed Changes	
<u>Bold/Underline = Changes made after the March 2016 Commission Meeting:</u>	
<p>In July 2015, the Commissioners authorized Group 12 amusement games to be played by persons 21 and over. With implementation of this new activity, staff has identified additional rule changes necessary to ensure effective regulation.</p> <p>The proposed rule changes would limit the number of Group 12 amusement games to a maximum of:</p> <ul style="list-style-type: none"> • 20 games for charitable and nonprofit licensees; and • 10 games for commercial licensees. <p>Approach By Other States:</p> <p>Georgia has similar nudge amusement games. By law, licensed locations can have no more than nine amusement games. There are approximately 22,500 amusement games at about 5,000 locations. The amusement games can be placed in licensed locations that make the games available for commercial use and play by the public, such as convenience stores. Each amusement game average about \$77 net revenue per day.</p> <p>Ohio also has similar amusement games. They are in the process of rule development. Currently, they do not have a limit on the number of amusement games per location.</p> <p><u>Attachment:</u></p> <p><u>Budget Proviso (the following language was included in the budget passed by the legislature):</u> <u>“The commission is directed to review and reconsider, including repeal, rules adopted to authorize the amusement games classified as group 12 under WAC 230-13-067, recognizing the impact such games may have on state lottery revenues used to support public education programs.”</u></p>	
Policy Impacts	
The Commission may want to consider whether a limit on the number of Group 12 amusement games per location is needed. Limiting the number of games per licensee could be a way to address concerns about the number of amusement games that could come into the state.	
Licensee Impacts	
Limiting the number of amusement games could limit revenue from games and potentially impact associated food and beverage sales.	
A Small Business Economic Impact Statement was prepared and is included.	
Agency Impacts	

Minimal.

Statements Supporting or Opposing the Proposed Rule Change

At the March meeting, 8 people testified. Seven were in support of Group 12 amusement games and one wanted to focus on modernizing gambling activities. Of those in favor of Group 12 amusement games three testified on needing replays to keep the games viable, one wanted to give cash back by issuing gift cards up to \$40, one thought the ID stamps would provide revenue, and another stated that requiring the appearance of the games to be changed would be expensive.

At the February meeting, 13 people testified. Twelve were in support of Group 12 amusement games and one was against. Of the twelve that were in favor of Group 12 games, four testified that the replay of prizes won (sometimes referred to as "credits") was important; four said gift cards as prizes was important, as this encourages patrons to stay at the business.

At the January 2016 Commission meeting, 17 people testified; 15 said they would prefer no rule changes, but if there are changes, they would prefer Rules Package 3 Option B. (The Commissioners withdrew Option B from further consideration at the February 2016 meeting, RCW 34.05.335.) Two people testified with a variety of concerns about group 12 amusement games.

Staff Recommendation

Final Action.

Proposed Effective Date for Rule Change

If the Commissioners choose to file these rules, staff recommends an effective date of 31 days from filing the adopted rules.

Amended Section

WAC 230-13-080 Operating coin or token activated amusement games.

(1) Coin or token activated amusement games must have nonresetting coin-in meters, certified as accurate to within plus or minus one coin or token in one thousand plays, which stop play of the machine if the meter is removed or disconnected when operating at:

- (a) Amusement parks; or
- (b) Regional shopping malls; or
- (c) Movie theaters; or
- (d) Bowling alleys; or
- (e) Miniature golf course facilities; or
- (f) Skating facilities; or
- (g) Family sports complexes.

(i) A "family sports complex" is a facility, at a permanent location, to which people go to play sports. A family sports complex must offer multiple sports activities, such as indoor soccer, outdoor soccer, lacrosse, baseball, Frisbee, and lawn bowling and the gross receipts must be primarily from these sports activities.

(ii) A family sports complex does not include a facility owned or operated by a school or school district; or

- (h) Amusement centers; or
- (i) Restaurants; or

(j) Grocery or department stores. A "department or grocery store" means a business that offers the retail sale of a full line of clothing, accessories, and household goods, or a full line of dry grocery, canned goods, or nonfood items plus some perishable items, or a combination of these. A department or grocery store must have more than ten thousand square feet of retail and support space, not including the parking areas.

(2) All coin or token activated amusement games must have a coin acceptor capable of taking money for one play and may have an additional acceptor to include paper money.

(3) Operators using amusement games that do not return change must have a change-making bill acceptor or the ability to get change in the immediate vicinity of such games. All amusement games using paper money acceptors must either:

- (a) Return change; or

(b) Clearly disclose to players before play that change is not returned and disclose to them where at the location they may get change.

(4) The maximum number of group 12 amusement games a licensee may have in their licensed premises is limited to:

- (a) Twenty (20) games for charitable and nonprofit licensees; and
- (b) Ten (10) games for commercial licensees.

[Statutory Authority: RCW 9.46.070. WSR 09-15-067 (Order 650), § 230-13-080, filed 7/13/09, effective 8/13/09; WSR 08-11-036 (Order 625), § 230-13-080, filed 5/14/08, effective 7/1/08; WSR 07-21-116 (Order 617), § 230-13-080, filed 10/22/07, effective 1/1/08; WSR 07-15-064 (Order 612), § 230-13-080, filed 7/16/07, effective 1/1/08.]

Budget Proviso

SECOND ENGROSSED SUBSTITUTE HOUSE BILL 2376

FOR THE GAMBLING COMMISSION

State Lottery Account: For transfer to gambling revolving account \$1,000,000

The transfer in this section is subject to the following conditions and limitations:

- (1) (~~The commission shall maintain working capital reserves in the gambling revolving account of no more than five percent of projected expenses in the account~~) This funding is provided solely for the costs of enforcement of gambling activities, including but not limited to evaluation, analysis, and dissemination of information on individuals and groups who are suspected of being involved in illegal gambling and other associated crimes.
- (2) The commission shall not approve any electronic raffle systems to conduct fifty-fifty raffles until the legislature has reviewed all impacts to the state lottery.
- (3) The commission is directed to review and reconsider, including repeal, rules adopted to authorize the amusement games classified as group 12 under WAC 230-13-067, recognizing the impact such games may have on state lottery revenues used to support public education programs.