

# WASHINGTON STATE GAMBLING COMMISSION

## **Our Mission:**

*Protect the Public by Ensuring That Gambling is Legal and Honest*

## **Red Lion Hotel - Seatac**

18220 International Blvd.

Seatac, Washington 98188

(206) 246-5535



## COMMISSION MEETING AGENDA PACKET

**WEDNESDAY, July 13, 2016**

**THURSDAY, July 14, 2016**

## **COMMISSION MEMBERS**

Bud Sizemore – Chair

Julia Patterson – Vice Chair

Kelsey Gray, PhD.

Ed Troyer

Chris Stearns

## **EX OFFICIO MEMBERS**

Senator Steve Conway

Senator Mike Hewitt

Representative Christopher Hurst

Representative Brandon Vick

## **DIRECTOR**

David Trujillo

## **DEPUTY DIRECTOR**

Amy Hunter



STATE OF WASHINGTON  
GAMBLING COMMISSION

*"Protect the Public by Ensuring that Gambling is Legal and Honest"*

**Educational Training – Poker & Wagering Limits Agenda**  
**Commission Meetings are Open to the Public**

Visit our web site at [www.wsgc.wa.gov](http://www.wsgc.wa.gov)

**Location of Meeting:**

Silver Dollar Casino SeaTac  
19222 International Blvd.  
SeaTac, WA 98188  
(206) 824-2340

**Date and Time of Meeting**

Wednesday, July 13, 2016  
**Beginning at 1:00 p.m.**

**- PUBLIC MEETING -**

*Please note, there will be no action taken at this meeting and no public testimony given.*

1. **Welcome**

*Bud Sizemore, Chair*

2. **Educational Training – Poker & Wagering Limits**

*Bill McGregor, Special Agent*

3. **Adjourn**



**Washington State Gambling Commission  
July 2016 Study Session**



**Date:** July 14, 2016

**Time:** 10:00 a.m.

**Location:** Red Lion Hotel - SeaTac  
18220 International Blvd.  
Seattle, WA 98188  
(206) 246-5535

**Study Session Agenda**

**I. Up for Further Discussion at the July 2016 Commission Meeting**

**Group 12 Amusement Games – Electronic Puzzle and Pattern Solving Game Standards**

- Amended Section: WAC 230-13-067 Group 12 - Electronic puzzle and pattern solving game standards.

**Group 12 Amusement Games – Reporting, Recordkeeping and Non-transferability of Tokens**

- Amended Section: WAC 230-13-075 Assigning and reporting group numbers of authorized amusement games.
- Amended Section: WAC 230-13-170 Recordkeeping for commercial amusement games.
- Amended Section: WAC 230-07-125 Recordkeeping requirements for lower volume charitable or nonprofit organizations.
- Amended Section: WAC 230-13-005 Amusement games authorized.

**Group 12 Amusement Games - Licensing**

- Amended Section: WAC 230-03-185 Applying for a manufacturer license.
- Amended Section: WAC 230-03-190 Applying for a distributor license.
- Amended Section: WAC 230-06-110 Buying, selling, or transferring gambling equipment.
- New Section: WAC 230-06-112 Buying, selling, renting and leasing amusement games.

**Petition for Rule Change from the Recreational Gaming Association - Promotions & Hours of Play**

- WAC 230-15-025 Hours of play.
- 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 – Promotional Contests of Chance (PCOC)

**Petition for Rule Change from Teresa Malphrus – Poker Wagering**

- WAC 230-15-080 Authorized fees and authorized methods of collection.
- WAC 230-15-135 Wagering Limits for nonhouse-banked card games.

**Petition for Rule Change from George Teeny – Poker Wagering**

- WAC 230-15-135 Wagering Limits for nonhouse-banked card games.

**II. Up for Discussion and possible filing at the July 2016 Commission Meeting**

**Petition from Pat Tompkins**

**Repeal Certain Group 12 Amusement Game Requirements**

- Amended Section: WAC 230-13-135 (2) Maximum wagers and prize limitations.

- Amended Section: WAC 230-13-010 Approval of new amusement games (Repeal certain portions).
- Amended Section: WAC 230-06-110 (6) Buying selling, or transferring gambling equipment.
- Amended Section: WAC 230-05-030 (10) Fees for other businesses.
- Amended Section: WAC 230-05-030 (11) Fees for other businesses.
- Amended Section: WAC 230-03-190 (1) Applying for a distributor license.
- Amended Section: WAC 230-03-185 (1) (c) Applying for a manufacturer license.
- Amended Section: WAC 230-13-080 (4) Operating coin or token activated amusement games.

**Petition from Jesse Stiltner**

**Change Definition Related to Amusement Games**

- Amended Section: WAC 230-13-170 Recordkeeping for commercial amusement games.
- Amended Section: WAC 230-13-175 Recordkeeping for unlicensed charitable and nonprofit amusement games.
- Amended Section: WAC 230-06-200 Defining “gambling equipment.”

**III. Open Discussion**

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**STATE OF WASHINGTON  
GAMBLING COMMISSION**

*“Protect the Public by Ensuring that Gambling is Legal and Honest”*

Red Lion SeaTac 18220 International Blvd. Seattle, WA 98188  
July 14, 2016 Commission Meeting

Informal Study Group Session **10:00 A.M.**  
**Public Meeting**

*Please note, agenda items may be taken out of sequence at the discretion of the Chair*

|         |  |
|---------|--|
|         | <b>Public Meeting Begins at 11:00 A.M.</b>   |
|         | Welcome and Introductions<br>Executive Session -Working Lunch- <ul style="list-style-type: none"> <li>• Discuss Pending Investigations, Tribal Negotiations and Litigation</li> </ul>  |
|         | <b>Public Meeting Adjourns at 11:05 A.M.</b><br><b>Reconvene at 1:30 P.M.</b>  |
|         | <b>PUBLIC MEETING</b>  |
| Tab 1 a | Director’s Report <span style="float: right;"><i>Amy Hunter, Deputy Director</i></span>  |
| Tab 1 b | Agency Request Legislation <span style="float: right;"><i>Brian Considine, Managing Attorney</i></span> <ol style="list-style-type: none"> <li>1) RCW 9.46.210 - Providing immunity to agents in limited circumstances (similar to HB 2765)</li> <li>2) RCW 9.46.0209 – Remove 15 voting member requirement for charitable/non-profit organizations</li> </ol>   |
| Tab 1 c | Special Olympics of Washington <span style="float: right;"><i>Tina Griffin, Assistant Director</i></span> <ul style="list-style-type: none"> <li>• December 2015 Western WA Enhanced Raffle Results</li> </ul>   |
|         | <b>ADMINISTRATIVE PROCEDURE ACT PROCEEDINGS</b>  |
|         | <b>Rules Up for Discussion</b>   |
| Tab 2   | <b>Group 12 Amusement Games</b><br><b>Electronic Puzzle and Pattern Solving Game Standards</b> <span style="float: right;"><i>Tina Griffin, Assistant Director</i></span> <ul style="list-style-type: none"> <li>• Amended Section: WAC 230-13-067 Group 12 Electronic Puzzle and Pattern Solving Game Standards.</li> </ul> <p><i>Filed 3/02/2016 as a Pre-Proposal Statement of Inquiry (CR-101) under WSR #16-06-130. Proposed Rule Making (CR-102) under WSR #16-09-044 with a published date of 5/04/2016. Proposed Rule Making (CR-102) under WSR #16-12-107 with a published date of 6/15/2016.</i></p>   |
| Tab 3   | <b>Group 12 Amusement Games</b><br><b>Reporting, Recordkeeping and Non-transferability of Tokens</b> <span style="float: right;"><i>Tina Griffin, Assistant Director</i></span> <ul style="list-style-type: none"> <li>• Amended Section: WAC 230-13-075 Assigning and reporting group numbers of authorized amusement games.</li> <li>• Amended Section: WAC 230-13-170 Recordkeeping for commercial amusement games.</li> <li>• Amended Section: WAC 230-07-125 Recordkeeping requirements for lower volume charitable or nonprofit organizations.</li> <li>• Amended Section: WAC 230-13-005 Amusement games authorized.</li> </ul> <p><i>Filed 3/02/2016 as a Pre-Proposal Statement of Inquiry (CR-101) under WSR #16-06-130. Proposed Rule Making (CR-102) under WSR #16-09-043 with a published date of 5/04/2016. Proposed Rule Making (CR-102) under WSR #16-12-108 with a published date of 6/15/2016.</i></p> |

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| Tab 4  | <p><b>Group 12 Amusement Games Licensing</b> <span style="float: right;"><i>Tina Griffin, Assistant Director</i></span></p> <ul style="list-style-type: none"> <li>• Amended Section: WAC 230-03-185 Applying for a manufacturer license.</li> <li>• Amended Section: WAC 230-03-190 Applying for a distributor license.</li> <li>• Amended Section: WAC 230-06-110 Buying, selling, or transferring gambling equipment.</li> <li>• New Section: WAC 230-06-112 Buying, selling, renting and leasing amusement games.</li> </ul> <p><i>Filed 04/04/2016 as a Pre-Proposal Statement of Inquiry (CR-101) under WSR #16-08-057. Proposed Rule Making (CR-102) under WSR #16-08-057 with a published date of 4/4/2016. Proposed Rule Making (CR-102) under WSR #16-12-110 with a published date of 6/15/2016.</i></p>  |
| Tab 5  | <p><b>Petition from Theresa Malphrus</b> <span style="float: right;"><i>Tina Griffin, Assistant Director</i></span></p> <p><b>Poker Wagering</b></p> <ul style="list-style-type: none"> <li>• Amended Section: WAC 230-15-080 Authorized fees and authorized methods of collection.</li> <li>• Amended Section: WAC 230-15-135 Wagering Limits for nonhouse-banked card games.</li> </ul> <p><i>Filed 04/13/2016 as a Pre-Proposal Statement of Inquiry (CR-101) under WSR #16-09-031.</i></p>  |
| Tab 6  | <p><b>Petition from George Teeny</b> <span style="float: right;"><i>Tina Griffin, Assistant Director</i></span></p> <p><b>Poker Wagering</b></p> <ul style="list-style-type: none"> <li>• Amended Section: WAC 230-15-135 Wagering Limits for nonhouse-banked card games.</li> </ul> <p><i>Filed 04/13/2016 as a Pre-Proposal Statement of Inquiry (CR-101) under WSR #16-09-032. Proposed Rule Making (CR-102) under WSR #16-13-152 with a published date of 7/06/2016.</i></p>  |
| <b>Up for Discussion and Possible Filing</b> |   |
| Tab 7  | <p><b>Petition from Pat Tompkins</b> <span style="float: right;"><i>Tina Griffin, Assistant Director</i></span></p> <p><b>Repeal Certain Group 12 Amusement Game Requirements</b></p> <ul style="list-style-type: none"> <li>• Amended Section: WAC 230-13-135 (2) Maximum wagers and prize limitations.</li> <li>• Amended Section: WAC 230-13-010 Approval of new amusement games (Repeal certain portions).</li> <li>• Amended Section: WAC 230-06-110 (6) Buying selling, or transferring gambling equipment.</li> <li>• Amended Section: WAC 230-05-030 (10) Fees for other businesses.</li> <li>• Amended Section: WAC 230-05-030 (11) Fees for other businesses.</li> <li>• Amended Section: WAC 230-03-190 (1) Applying for a distributor license.</li> <li>• Amended Section: WAC 230-03-185 (1) (c) Applying for a manufacturer license.</li> <li>• Amended Section: WAC 230-13-080 (4) Operating coin or token activated amusement games.</li> </ul> <p><i>Filed 6/01/2016 as a Pre-Proposal Statement of Inquiry (CR-101) under WSR #16-12-111.</i></p> |
| Tab 8  | <p><b>Petition from Jesse Stiltner</b> <span style="float: right;"><i>Tina Griffin, Assistant Director</i></span></p> <p><b>Change Definitions Related to Amusement Games</b></p> <ul style="list-style-type: none"> <li>• Amended Section: WAC 230-13-170 Recordkeeping for commercial amusement games.</li> <li>• Amended Section: WAC 230-13-175 Recordkeeping for unlicensed charitable and nonprofit amusement games.</li> <li>• Amended Section: WAC 230-06-200 Defining “gambling equipment.”</li> </ul> <p><i>Filed 6/22/2016 as a Pre-Proposal Statement of Inquiry (CR-101) under WSR #16-13-148.</i></p>   |

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| Tab 9   | <b>New Licenses and Class III Employees</b>  | <i>Tina Griffin, Assistant Director</i>   |
| Tab 10  | <b>Defaults</b><br>a) Dragon Pearl, Applicant License Denial, Revocation<br>b) Chamroeun Chea, Card Room, Class III Certification, Revocation  | <i>Brian Considine, Managing Attorney</i> |
| <b>PUBLIC MEETING</b>   |  |   |
| Tab 11  | <b>Approval of the Commission Meeting Minutes</b><br><ul style="list-style-type: none"> <li>• March 11, 2016 – Great Wolf Lodge, Grand Mound</li> <li>• April 14, 2016 – Double Tree, Olympia</li> <li>• May 12, 2016 – Red Lion, Pasco</li> </ul> |   |
| <b>Other Business/General Discussion/Comments from the Public</b> |  |   |
| <b>Adjourn</b>  |  |   |

*Upon advance request, the Commission will pursue reasonable accommodations to enable persons with disabilities to attend Commission meetings. Questions or comments pertaining to the agenda and requests for special accommodations should be directed to Julie Anderson, Executive Assistant at (360) 486-3453 or TDD (360) 486-3637. Questions or comments pertaining to rule changes should be directed to the Rules Coordinator and Public Information Officer at (360) 486-3447.*



STATE REPRESENTATIVE  
31<sup>st</sup> LEGISLATIVE DISTRICT  
CHRISTOPHER HURST

State of  
Washington  
House of  
Representatives



COMMERCE & GAMING  
CHAIR  
AGRICULTURE & NATURAL  
RESOURCES  
BUSINESS & FINANCIAL SERVICES

May 13, 2016

Chair Christopher Sterns  
Vice Chair Bud Sizemore  
Commissioner Kelsey Gray  
Commissioner Julia Patterson  
Commissioner Ed Troyer

Director David Trujillo

Washington State Gambling Commission  
4565 7th Avenue S.E.  
Lacey, WA 98503

Dear Chairman Sterns,

I am in receipt of the letter dated May 10, 2016, that was delivered to the Washington State Gambling Commission on the 12<sup>th</sup> of May at the meeting in Pasco from the Amusement Distributors of Washington on behalf of operators of Group 12 Games in Washington State.

The letter states that beginning on June 1, 2016, this organization and its members are planning for the implementation of a plan to introduce an unlimited number of slot machines in Washington State. These slot machines will be available in "family fun centers, coffee shops, malls, taverns, or other places where video games are played through different mobile applications." Additionally, the letter indicates that there will be no element of skill in these machines, which are virtually indistinguishable from slot machines, and that users of these slot machines will be able to win cash. These slot machines will include a replay function and there is no distinction between children and adults from being allowed to play them. It is clear that this organization and its members have no intention of abiding by any Washington State gambling laws, or rules enacted by the Gambling Commission.

The letter also goes on to state that the liability for preventing the Amusement Distributors of Washington from this action falls upon the Gambling Commission, and that if the Gambling Commission fails to respond by this date, that the failure to respond to this threat somehow constitutes permission by the State of Washington to implement their plan.

Purveyors of these Group 12 Games have now admitted, in writing, that they intend to engage in a violation of RCW 9.46.220, Professional Gambling in the first degree, a class B felony, and RCW 9.46.215, Ownership or Interest in a Gambling Device, a class C felony.

Each machine and each transaction will constitute felony violations of our state laws. However, the letter from this organization and its members changes the nature of these operation from simply being substantive felony violations of criminal gambling statues, into RCW 9A.82.010 Criminal Profiteering, RCW 9A.83.020 Money Laundering and RCW 9A.82.060 Leading Organized Crime. The letter delivered to the Gambling Commission on the 12<sup>th</sup> of May also represents an overt act in a criminal conspiracy involving three or more persons, which now extends back many months. RCW 9A.82.060, Leading Organized Crime, states that if a person organizes, manages, directs, supervises, or finances any three or more person with the intent to engage in a pattern of criminal profiteering, then that person is guilty of a class A felony. Professional Gambling in the First Degree, RCW 9.46.220, and Ownership or Interest in a Gambling Device, RCW 9.46.215, are predicate crimes under the Criminal Profiteering statute.

The letter from the Group 12 operators goes on to say that because potential prizes are revealed prior to a person playing these slot machines, that they are somehow exempt from state law, yet all slot machines are required to tell the player what prizes are available. There was a narrow exemption for Group 12 Games, based upon a requirement of skill. The Gambling Commission has gone on to clarify, at their meeting last month, that these games of skill were never intended to operate like slot machines. It is a clear violation of state gambling laws for Group 12 Games to have replay, or any cash prizes or payouts.

Last month, the purveyors of these new slot machines filed notice of a \$15 million lawsuit against the State of Washington unless the Gambling Commission relented, and allowed tens of thousands of these new slot machines into Washington State. This threat against a state regulatory agency amounted to little more than an act of extortion. In the last several months, I have sent letters to the Gambling Commission, Governor, Attorney General, and Speaker of the House urgently suggesting that these attempts to force the State of Washington into accepting this massive expansion of gambling without legislative approval would be a serious error. As a result, the limitations and clarifications by the Gambling Commission at its April meeting were entirely appropriate. This latest action by Group 12 Operators and the Amusement Distributors of Washington proves that my earlier warnings about these individuals and this industry were correct. It is now time for further action.

It is imperative that this newest threat to the peace and safety of Washington citizens be addressed in a definitive way. Washington State citizens, in no uncertain terms, have declared at the ballot box that they do not want a massive expansion of slot machines in our state. The Gambling Commission needs to immediately enact a full repeal of all Group 12 Games. The legislature can then, if necessary, pass a legislative change to permanently reinforce this action when they meet during the new session in January. It would be unfortunate to see 20,000-30,000 new slot machines in Washington State before the beginning of the next legislative session. Second, the Gambling Commission, the Attorney General,

and the Governor need to dedicate resources to stop this organization from further expanding their criminal profiteering and organized crime syndicate in Washington State. Indeed, the conspiracy and overt act necessary to begin a criminal prosecution now exists.

Sincerely,

A handwritten signature in black ink, appearing to read "Christopher Hurst". The signature is stylized and cursive.

Christopher Hurst, State Representative  
Commerce and Gaming Committee Chairman

cc: Governor Inslee, Attorney General Ferguson, Speaker of the House Chopp





**STATE OF WASHINGTON  
GAMBLING COMMISSION**

**“Protect the Public by Ensuring that Gambling is Legal and Honest”**

July 1, 2016

**TO:**                   **COMMISSIONERS**  
Bud Sizemore, Chair  
Julia Patterson, Vice-Chair  
Kelsey Gray, Ph. D.  
Christopher Stearns  
Ed Troyer

**EX OFFICIO MEMBERS**  
Senator Steve Conway  
Senator Mike Hewitt  
Representative Christopher Hurst  
Representative Brandon Vick

**FROM:**           Brian J. Considine, Managing Attorney/Legislative Liaison

**SUBJECT:   POSSIBLE AGENCY REQUEST LEGISLATION FOR 2017**

All agency request legislation must be submitted to the Governor’s Office for approval. The deadline for the 2017 legislative session is Monday, September 19, 2016.

In the past, staff have presented proposals for agency request legislation to the Commission at the July meeting. Staff would work on the proposals favored by the Commissioners and prepare the submission packet required by the Governor’s office for agency request legislation. Then, staff would present the agency request legislation package(s) for final approval at the Commission’s August or September meeting.

For the 2017 legislative session, staff have proposals for agency request legislation:

- (1) Eliminate the 15 voting member requirement for charitable or nonprofit organizations to engage in gambling activities; and
- (2) Amend the agency’s law enforcement authority to add an immunity clause for civil liability for actions a special agent may take to prevent physical injury to a person or substantial damage to property so long as the special agent’s actions are reasonable and the officer did not act with gross negligence or in bad faith.

**1. Eliminate Charitable and Nonprofit Organizations’ 15 voting member requirement**

RCW 9.46.0209 has several requirements that charitable and nonprofit organizations must meet in order to be allowed to receive a gambling license and/or engage in gambling activities. These organizations must:

- Be organized under Washington State law as a: religious organization (corporation sole); grange; fraternal society; agricultural fair; or a nonprofit corporation organized for eleven purposes, including charitable, benevolent, or civic purposes; and
- Have been in continuous operation for at least 12 calendar months prior to applying for a license or engaging in a gambling activity; and
- Demonstrate to the Commission that the organization has made significant progress toward the accomplishment of its charter during the previous 12 calendar months prior to application or license renewal; and
- Have not less than 15 bona fide voting members each with the right to an equal vote in the election of the officers, or board members, if any.

The Commission also has additional rules for these organizations in WAC 230-03-140 and WAC 230-03-145.

Staff propose that agency request legislation be approved for submission to the Governor's office that would eliminate the 15 voting member requirement. Staff is aware that the Legislature attempted to reduce the voting member requirement from 15 to 7 in 1997. However, SB 5034 containing this change was vetoed by Governor Locke because of his concern that the change would "encourage small groups of people to form nonprofit organizations for the primary purpose of engaging in charitable gaming activities, in violation of the gambling code."

Staff believe that eliminating this requirement will not affect the agency's ability to prevent fraudulent organizations from engaging in authorized gambling activities. The agency can still effectively regulate charitable and nonprofit gambling activities without this requirement because all other organizational requirements set forth in statute and rule will still be in place to control charitable and nonprofit gambling activities.

Raffles are a growing activity in the state at the moment and the process for staff to verify a charitable or nonprofit organization's membership list is time-consuming and unnecessarily burdensome considering the reduction in staff resources over the past couple years. Additionally, charitable and nonprofit organizations have strict regulatory requirements separate from its membership requirement and these regulations provide the agency sufficient tools to ensure charitable and nonprofit gambling activities are legal and honest.

This proposed change would allow for a more efficient use of limited staff resources and it will not impede the agency's ability to prevent fraudulent organizations from engaging in gambling activities.

Staff is aware that smaller charitable, nonprofit/civic organizations are prevented from holding fundraising raffles to benefit its local communities. One recent example is the Kiwanis Club of Selah wanted to conduct a raffle to benefit local high school seniors. The organization wished to conduct a raffle for a donated children's playhouse and direct proceeds towards college scholarships. Unfortunately, the organization only has 13 members and we had to inform them that they are not authorized to conduct a raffle.

Additionally, the statutory language related to the 15 voting member requirement raises an issue for religious organizations. Most, if not all, religious organizations do not have members that are considered to be “voting members” as identified in the statute. The Catholic Archdiocese of Seattle recently contacted staff about clarifying this language since the Legislature expressly defines religious organizations to be the type of organizations that can qualify to conduct gambling activities. Staff’s proposed change would address the Archdiocese’s concerns and provide clarity in the statute going forward.

Staff does not anticipate opposition from stakeholders or our licensees on this issue. However, staff will increase its outreach to stakeholders to if you approve of staff moving forward with this agency request legislation. Additionally, staff will prepare agency request legislation pursuant to the Governor’s Office guidelines and submit it for final approval at the August or September Commission meeting.

## **2. Civil Immunity for Special Agents.**

Last session, SHB 2765 was passed into law affording park rangers, in relevant part, immunity from civil liability if they take reasonable action to prevent or stop further physical injury or substantial damage to property. Park rangers are limited authority law enforcement officers and the immunity clause in SHB 2765 will likely protect them whenever they reasonably act within their law enforcement capacity regardless of the park ranger’s jurisdiction. The bill passed 89-8 in the House and 46-1 in the Senate.

Staff propose that agency request legislation be approved for submission to the Governor’s office that would provide this same immunity for special agents when acting in their law enforcement capacities. Staff believe that special agents should not need to analyze their possible jurisdictional limitations when confronted with a situation where physical harm or substantial property damage is occurring before them. The need to stop and analyze the scope of a special agent’s authority in dangerous situations is counterproductive and creates an unnecessary risk for the special agent and the public. Instead, our special agents should be able to use their law enforcement training to stop or prevent physical harm or substantial property damage and receive immunity from civil liability so long as their actions were reasonable and done in good faith.

The immunity language provided for your initial consideration is identical to the immunity language found in SHB 2765. This language was uncontested throughout the legislative process last session and it was language drafted by Washington Association of Sheriffs and Police Chiefs (WASPC).

If you approve of staff moving forward with this agency request legislation, then staff will continue outreach to stakeholders, including all necessary law enforcement organizations who may be interested in this proposal. Additionally, staff will prepare agency request legislation pursuant to the Governor’s Office guidelines and submit it for final approval at the August or September Commission meeting.

I look forward to your input on these packages.

Attachments



AN ACT Relating to bona fide charitable or nonprofit organization raffles; and amending RCW 9.46.0209.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

**Sec. 1.** RCW 9.46.0209 and 2009 c 137 s 1 are each amended to read as follows:

(1)(a) "Bona fide charitable or nonprofit organization," as used in this chapter, means:

(i) Any organization duly existing under the provisions of chapter [24.12](#), [24.20](#), or [24.28](#) RCW, any agricultural fair authorized under the provisions of chapters [15.76](#) or [36.37](#) RCW, or any nonprofit corporation duly existing under the provisions of chapter [24.03](#) RCW for charitable, benevolent, eleemosynary, educational, civic, patriotic, political, social, fraternal, athletic or agricultural purposes only, or any nonprofit organization, whether incorporated or otherwise, when found by the commission to be organized and operating for one or more of the aforesaid purposes only, all of which in the opinion of the commission have been organized and are operated primarily for purposes other than the operation of gambling activities authorized under this chapter; or

(ii) Any corporation which has been incorporated under Title 36 U.S.C. and whose principal purposes are to furnish volunteer aid to members of the armed forces of the United States and also to carry on a system of national and international relief and to apply the same in mitigating the sufferings caused by pestilence, famine, fire, floods, and other national calamities and to devise and carry on measures for preventing the same.

(b) An organization defined under (a) of this subsection must:

(i) Have been organized and continuously operating for at least twelve calendar months immediately preceding making application for any license to operate a gambling activity, or the operation of any gambling activity authorized by this chapter for which no license is required;

~~((ii) Have not less than fifteen bona fide active members each with the right to an equal vote in the election of the officers, or board members, if any, who determine the policies of the organization in order to receive a gambling license;))~~ and

~~((iii))~~ (ii) Demonstrate to the commission that it has made significant progress toward the accomplishment of the purposes of the organization during the twelve consecutive month period preceding the date of application for a license or license renewal. The fact that contributions to an organization do not qualify for charitable contribution deduction purposes or that the organization is not otherwise exempt from payment of federal income taxes pursuant to the internal revenue code of 1954, as amended, shall constitute prima facie evidence that the organization is not a bona fide charitable or nonprofit organization for the purposes of this section.

(c) Any person, association or organization which pays its employees, including members, compensation other than is reasonable therefor under the local prevailing wage scale shall be deemed paying compensation based in part or whole upon receipts relating to gambling activities authorized under this chapter and shall not be a bona fide charitable or nonprofit organization for the purposes of this chapter.

(2) For the purposes of RCW [9.46.0315](#) and [9.46.110](#), a bona fide nonprofit organization also includes:

(a) A credit union organized and operating under state or federal law. All revenue less prizes and expenses received from raffles conducted by credit unions must be devoted to purposes authorized under this section for charitable and nonprofit organizations; and

(b) A group of executive branch state employees that:

(i) Has requested and received revocable approval from the agency's chief executive official, or such official's designee, to conduct one or more raffles in compliance with this section;

(ii) Conducts a raffle solely to raise funds for either the state combined fund drive, created under RCW [41.04.033](#); an entity approved to receive funds from the state combined fund drive; or a charitable or benevolent entity, including but not limited to a person or family in need, as determined by a majority vote of the approved group of employees. No person or other entity may receive compensation in any form from the group for services rendered in support of this purpose;

(iii) Promptly provides such information about the group's receipts, expenditures, and other activities as the agency's chief executive official or designee may periodically require, and otherwise complies with this section and RCW [9.46.0315](#); and

(iv) Limits the participation in the raffle such that raffle tickets are sold only to, and winners are determined only from, the employees of the agency.

(3) For the purposes of RCW [9.46.0277](#), a bona fide nonprofit organization also includes a county, city, or town, provided that all revenue less prizes and expenses from raffles conducted by the county, city, or town must be used for community activities or tourism promotion activities.

AN ACT Relating to clarifying the limited authority of gambling commission special agents; adding a new section to chapter 9.46 RCW.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. Sec. 1. A new section is added to chapter 9.46.210 RCW to read as follows: When physical injury to a person or substantial damage to property occurs, or is about to occur, within the presence of an officer of the commission designated with police powers pursuant to RCW 9.46.210, the designated officer is authorized to take such action as is reasonably necessary to prevent physical injury to a person or substantial damage to property or prevent further injury to a person or further substantial damage to property. A designated officer shall be immune from civil liability for damages arising out of the action of the designated officer to prevent physical injury to a person or substantial damage to property or prevent further injury to a person or further substantial damage to property, unless it is shown that the designated officer acted with gross negligence or bad faith.



CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 2765**

Chapter 185, Laws of 2016

64th Legislature  
2016 Regular Session

PARK RANGERS--POLICE POWER--SCOPE

EFFECTIVE DATE: 6/9/2016

Passed by the House February 15, 2016  
Yeas 89 Nays 8

FRANK CHOPP

**Speaker of the House of Representatives**

Passed by the Senate March 2, 2016  
Yeas 46 Nays 1

BRAD OWEN

**President of the Senate**

Approved April 1, 2016 3:44 PM

JAY INSLEE

**Governor of the State of Washington**

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2765** as passed by House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

**Chief Clerk**

FILED

April 4, 2016

**Secretary of State  
State of Washington**

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SUBSTITUTE HOUSE BILL 2765

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Passed Legislature - 2016 Regular Session

**State of Washington**                      **64th Legislature**                      **2016 Regular Session**

**By** House Public Safety (originally sponsored by Representatives Kretz, Moscoso, Griffey, Hayes, and Holy)

READ FIRST TIME 02/05/16.

1            AN ACT Relating to clarifying the limited authority of park  
2 rangers; amending RCW 79A.05.160; and adding a new section to chapter  
3 79A.05 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            **Sec. 1.** RCW 79A.05.160 and 2011 c 320 s 15 are each amended to  
6 read as follows:

7            (1) (~~The members of~~) Designated officers, employed by the  
8 commission ((and its designated employees)), shall be vested with  
9 police powers to enforce the laws of this state:

10            (a) Within the boundaries of any state park, including lands  
11 owned, managed, or comanaged by the commission under lease or other  
12 agreement;

13            (b) In winter recreation facilities established and administered  
14 by the commission pursuant to RCW 79A.05.225(1)(a);

15            (c) On public roadways and public waterways bisecting the  
16 contiguous borders of any state park, including lands owned, managed,  
17 or comanaged by the commission under lease or other agreement;

18            (d) Upon the prior written consent of the sheriff or chief of  
19 police in whose primary territorial jurisdiction the exercise of the  
20 powers occur;

1 (e) In response to the request of a peace officer with  
2 enforcement authority; and

3 (f) When the officer is in fresh pursuit for an offense committed  
4 in the presence of the officer while the officer had police powers as  
5 specified in (a) through (e) of this subsection.

6 (2) The director may, under the provisions of RCW 7.84.140, enter  
7 into an agreement allowing (~~employees~~) officers of the department  
8 of natural resources (~~and~~), the department of fish and wildlife,  
9 and tribal law enforcement agencies on contiguous or comanaged  
10 property, to enforce certain civil infractions created under this  
11 title.

12 NEW SECTION. Sec. 2. A new section is added to chapter 79A.05  
13 RCW to read as follows:

14 When physical injury to a person or substantial damage to  
15 property occurs, or is about to occur, within the presence of an  
16 officer of the commission designated with police powers pursuant to  
17 RCW 79A.05.160, the designated officer is authorized to take such  
18 action as is reasonably necessary to prevent physical injury to a  
19 person or substantial damage to property or prevent further injury to  
20 a person or further substantial damage to property. A designated  
21 officer shall be immune from civil liability for damages arising out  
22 of the action of the designated officer to prevent physical injury to  
23 a person or substantial damage to property or prevent further injury  
24 to a person or further substantial damage to property, unless it is  
25 shown that the designated officer acted with gross negligence or bad  
26 faith.

Passed by the House February 15, 2016.  
Passed by the Senate March 2, 2016.  
Approved by the Governor April 1, 2016.  
Filed in Office of Secretary of State April 4, 2016.

--- END ---





In accordance with WAC 230-11-103, charitable or nonprofit licensees conducting enhanced raffles must have an independent audit conducted on each enhanced raffle and the associated smaller raffles. SOWA submitted the auditor's report in accordance with the rule.

**The results of the December 3, 2015, enhanced raffle and the associated raffles are as follows:**

| Sales of Raffle Tickets | Prizes Awarded | Other Expenses | Net Proceeds from Enhanced Raffle |
|-------------------------|----------------|----------------|-----------------------------------|
| \$1,021,400             | \$560,650      | \$ 464,085     | (\$3,335)                         |

**Drawing details and prizes:**

| Drawing      | Date             | Location       | Prizes Awarded  |
|--------------|------------------|----------------|---|
| Early Bird 1 | October 1, 2015  | SOWA Office    | \$30,000  |
| Early Bird 2 | October 29, 2015 | SOWA Office    | 1 <sup>st</sup> prize: \$5,000<br>2 <sup>nd</sup> prize: \$5,000  |
| Multi-Ticket | December 3, 2015 | Seattle Center | \$50,000  |
| Grand Prize  | December 3, 2015 | Seattle Center | Grand prize: \$110,000<br>2 <sup>nd</sup> prize: \$100,000<br>3 <sup>rd</sup> prize: \$45,000<br>4 <sup>th</sup> to 10 <sup>th</sup> prize: \$5,000<br>11 <sup>th</sup> to 1500 <sup>th</sup> prize:* |

\*In addition to prizes noted above, there were an additional 1,490 prizes awarded, with prize values ranging from \$100 to \$1,000.

**Use of Proceeds:**

There were no proceeds from this enhanced raffle. There was a net loss of \$3,335.

**Regulatory Review:**

Two agents from the Regulatory Unit conducted an enhanced raffle records inspection. Prior to the inspection, they reviewed the approved enhanced raffle plan and reviewed the case reporting system for compliance history.

They compared the enhanced raffle ticket sales to the bank statements and verified the money from all ticket sales was deposited. The agents contacted the top ten Grand Prize Drawing winners, the Multi-Ticket drawing winner, the Early Bird #1 prize winner, and the Early Bird #2 prize winners and verified they received the prizes.

The agents reviewed bank statements and check registers for the licensee's bank accounts and reviewed supporting documentation from a sample of items to determine there was no misuse of funds. They noted no discrepancies.

The agents reviewed the licensee's gambling records to verify accuracy and compliance with the WAC rules. They noted no discrepancies.

The agents noted the licensee had \$1,021,400 in gross ticket sales, \$450,500 in prizes paid (excluding the grand prize winner), and \$464,234.77 in raffle expenses. This left net raffle proceeds of \$106,665.23. Due to low ticket sales, the grand prize of \$1,000,000 was not available and defaulted to 50% of the net raffle proceeds. The second place prize was \$100,000. The grand prize winner was therefore only entitled to \$53,332.62, leaving the same amount as profit for SOWA. SOWA, however, chose to award all net raffle proceeds to the winner plus an additional \$3,334.77 for a grand prize of \$110,000 so that the prize would be above that of the second place prize. This resulted in a net loss for SOWA in the amount of \$3,334.77.

The agents confirmed that SOWA operated the enhanced raffle within the plan approved by the Commissioners, with the exception of the grand prize amount.

**Regulatory Actions:**

There were no state or federal regulatory actions taken in relation to this enhanced raffle.

Attachment (1)

# Summary of Enhanced Raffles

As of December 31, 2015

| Date of Drawing<br>Region                            | May 31, 2014<br>Western WA  | May 15, 2015<br>Western WA   | December 3, 2015<br>Western WA        |
|--|---|--|---------------------------------------|
| # of Tickets Available                               | 85,000  | 60,000   | 45,000                                |
| Minimum # of Tickets to be Sold to Award Grand Prize | 75,000  | 50,000   | 40,000                                |
| # of Tickets to Break Even                           | 10,000  | 11,050   | 12,125                                |
| # of Tickets Sold                                    | 27,521  | 23,433   | 12,731                                |
| Grand Prize Offered if Minimum # of Tickets Sold     | \$5 million house,<br>\$4 million annuity, or<br>\$2.8 million cash | \$2.795 million house,<br>\$2.5 million annuity, or<br>\$1.75 million cash | \$1 million annuity or<br>\$700K cash |
| Grand Prize Awarded                                  | \$700,000 cash<br>(50% of net receipts)                             | \$423,000 cash<br>(50% of the net receipts)                                | \$110,000 cash                        |
| Total Prizes Awarded                                 | 1,700   | 1,200  | 1,500                                 |
| Total Revenue  | \$3,462,700   | \$2,947,200  | \$1,021,400                           |
| Prize Expense  | \$1,071,301   | \$744,456  | \$560,650                             |
| Taxes  | \$23,304  | \$128,135  | \$3,814                               |
| Licenses and Permits                                 | \$23,155  | \$21,665   | \$12,551                              |
| Other  | \$1,269,819   | \$1,259,281  | \$451,534                             |
| Net Income/Loss                                      | \$1,075,121   | \$793,663  | (\$3,335)                             |
| WSGC Regulatory Actions                              | 2 complaints - no administrative action                             | None   | None                                  |
| AAG Regulatory Actions                               | None  | None   | None                                  |
| Federal Regulatory Actions                           | None  | None   | None                                  |
| Multi-Ticket Drawing                                 | Yes   | Yes  | Yes                                   |
| Refer a Friend Drawing                               | Yes   | Yes  | No                                    |
| Early Bird Drawings                                  | 3 separate drawings   | 2 separate drawings  | 2 separate drawings                   |
|  | 31.05%  | 26.93%   | -0.33%                                |
|  | 100.00%   | 100.00%  | 100.00%                               |
|  | 30.94%  | 25.26%   | 54.89%                                |
|  | 0.67%   | 4.35%  | 0.37%                                 |
|  | 0.67%   | 0.74%  | 1.23%                                 |
|  | 36.67%  | 42.73%   | 44.21%                                |

Public Comment

May 4, 2016 to June 16, 2016

## Griffin, Tina (GMB)

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**From:** Monty Harmon <mharmon@evergreengaming.com>  
**Sent:** Thursday, May 26, 2016 11:06 PM  
**To:** Griffin, Tina (GMB)  
**Cc:** kcrum@absbusinessdata.com; Considine, Brian (GMB)  
**Subject:** RE: Amusement Games attachment that is readable  
**Attachments:** Tina Griffin ltr on WAC wording may 26, 2016.pdf

Kevin,

Thank you for making me aware the previous attachment was unreadable. Hopefully this document will open.

I am sending this directly to Brian as Tina is out.

Monty Harmon  
Evergreen Gaming, President

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**From:** Monty Harmon [mailto:mharmon@evergreengaming.com]  
**Sent:** Thursday, May 26, 2016 7:40 PM  
**To:** 'Griffin, Tina (GMB)'  
**Cc:** 'kcrum@absbusinessdata.com'  
**Subject:** Amusement Games

Tina,

If you have time, I would like to know if there was any additional information that came from your staff meeting this week regarding the accounting systems for amusement game winnings.

I have talked with Kevin Krum regarding the RCW 19.240 issues and how WAC 230-133-005 might be reworded.

Please find attached our suggestions and bear in mind that we still need to ask Brian a few Questions.

Could you please forward this email and its attachment to Brian and request him to contact me so that Kevin and I might set up a call with him sometime next week to discuss the following questions:

1. How does the WAC definition of Electronic Token Card (ETC) keep RCW 19.240 or 19.230 from applying to the WSGC ETC in that the points are held to be redeemed?
2. Does a WSGC defined ETC have to allow for both the accumulation of purchased credits for play and coupons, tickets, or tokens awarded as prizes?
3. Can a WSGC defined ETC just provide the accumulation of coupons, tickets, or tokens awarded as prizes?
4. Can a WSGC defined ETC have customer ID information attached to the card or does the card have to be a bearer instrument?
5. We would like to discuss the proposed wordings of WAC 230-13-005 In the attached document.
6. Why does the accumulation of coupons, tickets, or tokens awarded as prizes have to be regulated? Why not simplify the issue of cash with a WAC that makes it a violation. It might be worded:

“No licensee shall employ a redemption method or system where cash or cash equivalents are provided by the licensee or its vendors for any of the licensee’s winners of coupons, tickets, or tokens awarded or redeemed as prizes from any amusement machine.”

Thank you,

Monty Harmon  
Evergreen Gaming, President

Tina Griffin, Assistant Director  
Washington State Gambling Commission  
PO Box 42400  
Olympia, WA 98504-2400

May 26, 2016

Dear Tina:

Thank you for meeting with Kevin Krum and myself in Lakewood last week. During our time together, you requested Kevin and I to send any alternative wording to WAC 230-13-005 that we would like to be considered in the rule as it is up for final action in July 2016.

**Suggestion 1:**

Under Section (4)(b)(i) should include “.....activate the machine by inserting coins, cash, or tokens on an electronic token card; and”. Alternatively, the term “bill acceptor” might work. Please be advised that I have spoken to some amusement game operators that said some locations might use or want to use a form of script or coupon as a token or method of payment. I am not sure your agency would want script or paper tokens being used but wanted to communicate the possibility for your consideration.

**Suggestion 2:**

Under Section (4)(b)(iii) could be changed as follows:

(iii) For group 12 amusement games, coupons, tickets, tokens or tokens on an electronic token card (no “s” needed) are nontransferable and may not directly or indirectly be converted into cash or cash equivalents.

**Suggestion 3:**

Under Section (6)

(6) Electronic Token card means a card issued by the operator that stores purchased credits available to play the amusement game and/or the coupons, tickets, or tokens awarded or dispensed as prizes from the play of the amusement game. If it stores both then, the coupons, tickets, or tokens awarded or dispensed as prizes must be stored separately and cannot be used to play amusement games and must only be redeemed for merchandise prizes.

Please call me if you have any questions.

Sincerely,

Monty Harmon

## Griffin, Tina (GMB)

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**From:** rjbta@nventure.com  
**Sent:** Wednesday, May 25, 2016 11:51 AM  
**To:** Griffin, Tina (GMB)  
**Subject:** Group 12 July 15th Deadline

Good Morning.

I am currently discussing an idea that I have with Banilla games via my distributor Specialty Coin. It has to do with the point tracking and redemption process. My focus is on the 21 and over small non chain Restaurant and Lounge Industry. The feedback I received was they may be open to it and willing to pursue my request providing they feel the Gambling Commission would find it an expectable solution.

While none of this is being put into action and I do realize that there could be no commitment on behalf of the Gambling Commission. I would appreciate it if I could have a phone conversation with you regarding my idea to get an initial thought and maybe what might be the best way to proceed from there.

I realize you probably have a large amount of other things to deal with so at your convenience would be great.

Gary Rouse  
RJB Amusement Services Inc  
(206) 730-4864 Cell

STATE REPRESENTATIVE  
31<sup>ST</sup> LEGISLATIVE DISTRICT  
CHRISTOPHER HURST

State of  
Washington  
House of  
Representatives



COMMERCE & GAMING  
CHAIR  
AGRICULTURE & NATURAL  
RESOURCES  
BUSINESS & FINANCIAL SERVICES

May 13, 2016

Chair Christopher Sterns  
Vice Chair Bud Sizemore  
Commissioner Kelsey Gray  
Commissioner Julia Patterson  
Commissioner Ed Troyer

Director David Trujillo

Washington State Gambling Commission  
4565 7th Avenue S.E.  
Lacey, WA 98503

Dear Chairman Sterns,

I am in receipt of the letter dated May 10, 2016, that was delivered to the Washington State Gambling Commission on the 12<sup>th</sup> of May at the meeting in Pasco from the Amusement Distributors of Washington on behalf of operators of Group 12 Games in Washington State.

The letter states that beginning on June 1, 2016, this organization and its members are planning for the implementation of a plan to introduce an unlimited number of slot machines in Washington State. These slot machines will be available in "family fun centers, coffee shops, malls, taverns, or other places where video games are played through different mobile applications." Additionally, the letter indicates that there will be no element of skill in these machines, which are virtually indistinguishable from slot machines, and that users of these slot machines will be able to win cash. These slot machines will include a replay function and there is no distinction between children and adults from being allowed to play them. It is clear that this organization and its members have no intention of abiding by any Washington State gambling laws, or rules enacted by the Gambling Commission.

The letter also goes on to state that the liability for preventing the Amusement Distributors of Washington from this action falls upon the Gambling Commission, and that if the Gambling Commission fails to respond by this date, that the failure to respond to this threat somehow constitutes permission by the State of Washington to implement their plan.

Purveyors of these Group 12 Games have now admitted, in writing, that they intend to engage in a violation of RCW 9.46.220, Professional Gambling in the first degree, a class B felony, and RCW 9.46.215, Ownership or Interest in a Gambling Device, a class C felony.

Each machine and each transaction will constitute felony violations of our state laws. However, the letter from this organization and its members changes the nature of these operation from simply being substantive felony violations of criminal gambling statues, into RCW 9A.82.010 Criminal Profiteering, RCW 9A.83.020 Money Laundering and RCW 9A.82.060 Leading Organized Crime. The letter delivered to the Gambling Commission on the 12<sup>th</sup> of May also represents an overt act in a criminal conspiracy involving three or more persons, which now extends back many months. RCW 9A.82.060, Leading Organized Crime, states that if a person organizes, manages, directs, supervises, or finances any three or more person with the intent to engage in a pattern of criminal profiteering, then that person is guilty of a class A felony. Professional Gambling in the First Degree, RCW 9.46.220, and Ownership or Interest in a Gambling Device, RCW 9.46.215, are predicate crimes under the Criminal Profiteering statute.

The letter from the Group 12 operators goes on to say that because potential prizes are revealed prior to a person playing these slot machines, that they are somehow exempt from state law, yet all slot machines are required to tell the player what prizes are available. There was a narrow exemption for Group 12 Games, based upon a requirement of skill. The Gambling Commission has gone on to clarify, at their meeting last month, that these games of skill were never intended to operate like slot machines. It is a clear violation of state gambling laws for Group 12 Games to have replay, or any cash prizes or payouts.

Last month, the purveyors of these new slot machines filed notice of a \$15 million lawsuit against the State of Washington unless the Gambling Commission relented, and allowed tens of thousands of these new slot machines into Washington State. This threat against a state regulatory agency amounted to little more than an act of extortion. In the last several months, I have sent letters to the Gambling Commission, Governor, Attorney General, and Speaker of the House urgently suggesting that these attempts to force the State of Washington into accepting this massive expansion of gambling without legislative approval would be a serious error. As a result, the limitations and clarifications by the Gambling Commission at its April meeting were entirely appropriate. This latest action by Group 12 Operators and the Amusement Distributors of Washington proves that my earlier warnings about these individuals and this industry were correct. It is now time for further action.

It is imperative that this newest threat to the peace and safety of Washington citizens be addressed in a definitive way. Washington State citizens, in no uncertain terms, have declared at the ballot box that they do not want a massive expansion of slot machines in our state. The Gambling Commission needs to immediately enact a full repeal of all Group 12 Games. The legislature can then, if necessary, pass a legislative change to permanently reinforce this action when they meet during the new session in January. It would be unfortunate to see 20,000-30,000 new slot machines in Washington State before the beginning of the next legislative session. Second, the Gambling Commission, the Attorney General,

and the Governor need to dedicate resources to stop this organization from further expanding their criminal profiteering and organized crime syndicate in Washington State. Indeed, the conspiracy and overt act necessary to begin a criminal prosecution now exists.

Sincerely,

A handwritten signature in black ink, appearing to read "Christopher Hurst". The signature is stylized with a large, sweeping initial "C" and "H".

Christopher Hurst, State Representative  
Commerce and Gaming Committee Chairman

cc: Governor Inslee, Attorney General Ferguson, Speaker of the House Chopp

AMUSEMENT DISTRIBUTORS OF WASHINGTON  
("ADOW")

May 10, 2016

Chair Chris Stearns  
Vice Chair Bud Sizemore  
Commissioner Kelsey Gray  
Commissioner Julia Patterson  
Commissioner Ed Troyer

Director David Trujillo

Washington State Gambling Commission  
4565 7th Avenue S.E.  
Lacey, WA 98503

RE: Request under RCW 34.05.230 for Interpretive or Policy Statement on "No  
Chance" Equipment

Dear Washington State Gambling Commission:

Over the past year, ADOW through its members worked cooperatively with the agency to modify its equipment to comply with the Gambling Commission's request for regulatory control under the Gambling Act's amusement game authority. While the early adopted rules worked initially, the recent amendments and enforcement activities imposed after noticeable lobbying efforts by tribes destroys the equipment's marketability and ameliorates any possible regulatory advantages to continuing to operate with the Commission's approval. Based upon the absence of good faith, and the undue political influence over the Gambling Commission, ADOW and its members are investing in equipment programmed as originally planned. All concessionary changes, particularly the skill element, will be eliminated. Owners and operators intend to make the games publicly available no later than June 1, 2016 throughout Washington State. As previously reported to the agency, this equipment operates just like other video games that award prize points. The requisite element of chance necessary for Gambling Commission regulatory control as a slot machine or other gambling activity does not exist. A player knows before purchasing a play whether the play is a winner. A player knows whether a purchased play is a winner without risking any consideration. Some of the equipment will reveal the prize one play at a time. Some of the equipment will reveal all prizes for every play prior to any purchase. Either method eliminates any element of "chance". Without chance, the Gambling Commission lacks any regulatory powers delegated to it under the Gambling Act and the fact that the player can continue to play and cash in all points for money does not matter. The player is enjoying an electronic video game purchasing a prize at a price known to the player prior to purchase. The Gambling Commission has no regulatory control over electronic video games sold for entertainment.

The Administrative Procedure Act (“APA”) encourages agencies to advise the public of its “current opinions, approaches, and likely courses of action by means of interpretive or policy statements.” ADOW requests a formal response pursuant to the APA that articulates the Gambling Commission’s likely course of action when ADOW manufacturers and operators offer the equipment as originally contemplated for the public’s entertainment at various locations to include family fun centers, coffee shops, malls, taverns, or other places where video games are played through different mobile applications. The equipment will be the same type equipment you have seen in your lab or examined to date except the equipment will no longer include any skill element. The equipment will include replay. Gift certificates may be awarded and exchanged for cash at the option of the location consistent with the laws regulating gift certificates. Some of the equipment may include a more comprehensive reveal feature, although most will likely continue to reveal the prize for each play. This means the reveal shows the prize before the player inserts the amount of money required to buy each play.

ADOW will consider the Gambling Commission’s likely course of action before putting the equipment into play June 1, 2015. An interpretive statement to include all authority to support the Commission’s likely course of action will assist ADOW in evaluating whether any proposed regulation presents actual legal barriers or risks that would impact use of the equipment. In the event the Gambling Commission chooses not to respond, ADOW intends to move forward and will assume that the Gambling Commission has no regulatory authority over this equipment, and that the only reason it considered regulation as an amusement game was to bring the technology within the regulatory control of the Gambling Commission.

AMUSEMENT DISTRIBUTORS OF WASHINGTON (“ADOW”)

May 12, 2016

Chair Chris Stearns  
Vice Chair Bud Sizemore  
Commissioner Kelsey Gray  
Commissioner Julia Patterson  
Commissioner Ed Troyer

Director David Trujillo

Washington State Gambling Commission  
4565 7th Avenue S.E. Lacey, WA 98503

RE: Option A - Amusement Games

Dear Gambling Commissioners, Director Trujillo, and Staff:

ADOW has considered Option A as adopted at the May meeting that takes effect at the end of July. Importantly Option A applies universally to all amusement games, not just Group 12 amusement games. Thus the amendment affects the operational standards for equipment in family and adult venues as written. The rule introduces and approves electronic token cards to purchase plays and to store points or to award prizes like tokens. Electronic token cards according to the definition adopted in rule matches the meaning of gift certificate under the state consumer protection laws that define and restrict the manner in which businesses account for stored value for the customer to use at the business. While the Gambling Commission prohibited the awarding of gift certificates as the prize; the Gambling Commission expressly permits the use of gift certificates to operate the equipment. This means under Option A operators and manufacturers may continue the operational features advantageous to the continuing success of Group 12 amusement games, and now with other games targeted at children and families. Following the express provisions of this recent amendment, all of our equipment will now use electronic token cards. Customers will receive any stored value returned to them in cash as requested in amounts over \$5.00 at the election of the location consistent with the consumer protection laws that may be used to purchase electronic token cards.



**Amended:**

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

**July 2016 – Further Discussion**

**June 2016 – No Meeting**

**May 2016 – Further Discussion**

**April 2016 – Further Discussion**

**March 2016 – Up for Discussion and Filing**

|  |   |
|--|---|
| TAB 2: July 2016 Commission Meeting Agenda.  | Statutory Authority 9.46.070, 9.46.0201 |
| Who proposed the rule changes?   |   |
| Staff at the request of the Commissioners at the February 2016 commission meeting.   |   |
| Proposed Changes   |   |
| <p><b><u>Bold/Underline = Changes made after the May 2016 Commission Meeting</u></b></p> <p>In July 2015, the Commissioners authorized Group 12 amusement games to be played by persons 21 and over. Since this time, numerous questions and concerns have been raised.</p> <p>At their February 2016 meeting, the Commissioners asked staff to explore regulating the appearance so that the game does not look like a slot machine. Staff prepared a rule change with two options for consideration at the March meeting.</p> <p>Option 1 - The Commissioners did not file this option at the March 2016 Commission meeting. This option required the appearance of Group 12 amusement games to not look like a slot machine.</p> <p>Option 2 requires Group 12 amusement games to prominently display on a sticker or on the screen, “This is not a slot machine. No cash prizes are allowed. You can preview the prize available before each play of the game without the insertion of money or anything of value.”</p> <p>At the April Commission meeting, Chair Stearns asked that we revise the language to better explain the preview function, see Option 2A.</p> <p><b><u>A Small Business Economic Impact Statement was prepared and is attached.</u></b></p> <p>Attachments:</p> <ul style="list-style-type: none"> <li>• Budget Proviso (the following language was included in the budget passed by the legislature):<br/>“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.”</li> <li>• <b><u>Small Business Economic Impact Statement.</u></b></li> </ul> |   |
| Licensee Impacts   |   |
| <ul style="list-style-type: none"> <li>• As of April 2016, there were approximately 385 Group 12 amusement games in Washington.</li> <li>• As of February 8, 2016, there were approximately 430 Group 12 amusement games in Washington.</li> </ul>   |   |

- Under Option 2, licensees would need to print stickers to attach to the amusement game or program the amusement game to display the message.

**Agency Impacts**

Staff would confirm that each Group 12 amusement game has the sticker or displays the message on the screen.

**Statements Supporting or Opposing the Proposed Rule Change**

At the March meeting, one person testified that requiring the appearance of the games to be changed would be expensive if Option 1 were chosen.

**Staff Recommendation**

Further Discussion. When the rule is up for final action, staff will recommend Option 2A.

**Proposed Effective Date for Rule Change**

31 days from filing.

## Option 2

### Amended Section

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

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

(2) The game must allow the player to preview the prize that is available before each play of the game without the insertion of money or any other thing of value; and

(3) Prizes are awarded based upon the player's skill in correctly discerning a pattern and completing that pattern; and

(4) When a game presents a potential winning pattern, the puzzle must be capable of completion within the predetermined time period; and

(5) 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 twenty-one are prohibited from entering; and

(6) The amusement game must prominently display on a sticker or on the screen, "This is not a slot machine. No cash prizes are allowed. You can preview the prize available before each play of the game without the insertion of money or anything of value."

[Statutory Authority: RCW [9.46.070](#) and [9.46.0331](#). WSR 15-15-063 (Order 713), § 230-13-067, filed 7/10/15, effective 8/10/15.]

## Option 2A At Chair Stearns' Request

**Yellow highlight = Language changed after the April 2016 Commission Meeting**

### Amended Section

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

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

(2) The game must allow the player to preview the points to be awarded if the puzzle is correctly solved~~prize that is available~~ before each play of the game without the insertion of money or any other thing of value; and

(3) Prizes are awarded based upon the player's skill in correctly discerning a pattern and completing that pattern; and

(4) When a game presents a potential winning pattern, the puzzle must be capable of completion within the predetermined time period; and

(5) 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 twenty-one are prohibited from entering; and

(6) The amusement game must prominently display on a sticker or on the screen, "This is not a slot machine. No cash prizes are allowed. You can preview the points to be awarded if the puzzle is correctly solved~~available~~ before each play of the game without the insertion of money or anything of value."

[Statutory Authority: RCW [9.46.070](#) and [9.46.0331](#). WSR 15-15-063 (Order 713), § 230-13-067, filed 7/10/15, effective 8/10/15.]

**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.

**Small Business Economic Impact Statement – RCW 19.85.040  
Washington State Gambling Commission**

**May 20, 2016**

**Proposed Changes to Rules:**

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

This rule change would require group 12 amusement games to prominently display on a sticker or on the screen, “This is not a slot machine. No cash prizes are allowed. You can preview the points to be awarded if the puzzle is correctly solved before each play of the game without the insertion of money or anything of value.”

**Involvement of Small Businesses:**

We filed the Code Revisor’s 101 on March 2, 2016, under WSR# 16-06-130.

On July 2015, the Commissioners approved a new type of amusement game, group 12 amusement games with the passage of a new rule, WAC 230-13-067.

In October 2015, operators began putting group 12 amusement games into play and a number of questions arose regarding the operation, licensure, recordkeeping, and regulatory controls for this new type of amusement games. In an effort to address the questions and get information out to stakeholders timely, we started posting information on our website under Breaking News on group 12 amusement games.

On November 9, 2015, we sent an email to the Class B and above amusement game licensees that we had email addresses for informing them that we had drafted rules for discussion on a number of different issues concerning Group 12 amusement games. (These rules did not include this rule change.)

On November 12, 2015, we asked stakeholders that attended the Study Session, which is open to the general public, to submit any comments or rule change language, not limited to the rules staff drafted, to address the issues surrounding group 12 amusement games to commission staff by November 30, 2015.

On December 24, 2015, we sent notice to all commercial and amusement game licensees of the updated rule proposals based the feedback we received during the comment period. We also posted the draft rules on our website.

At their February 11, 2016 meeting, the Commissioners asked staff to explore regulating the appearance so that the game does not look like a slot machine. On February 12, 2016, staff posted a summary of the Commissioners request for a rule change in the special “Breaking News” section of our website for group 12 amusement game information. We also posted that we would hold a stakeholder meeting to discuss all group 12 amusement game rules currently

being discussed, which included the Commissioner’s request for rule change to WAC 230-13-067.

On February 26, 2016, staff posted in the “Breaking News” section of the website for group 12 amusement games a summary of the February 22, 2016, stakeholder meeting in which this proposed rule was discussed.

At least one week prior to the March 11, 2016 Commission meeting, we posted this rules package, which included this specific rule, on our website.

On March 25, 2016, we posted information on this rule as filed by the Commissioners at their March 11, 2016, Commission meeting in the special section of our website for group 12 amusement games. We also posted that we would be holding a stakeholder meeting to discuss all group 12 amusement game rules pending on April 9, 2016.

On April 9, 2016, we held a stakeholder meeting to discuss all group 12 amusement game rules, which included all rules in this package, including this specific rule.

At least one week prior to the April 14, 2016, Commission meeting, we posted this rules package, including this specific rule, on our website.

At the April 14, 2016, Commission meeting, a Commissioner asked staff to make additional changes to the rule to make it clearer. On April 15, 2016, we posted in the “Breaking News” section of our website for group 12 amusement games a summary of the rules discussed and action taken by the Commissioners at the April Commission meeting.

At least one week prior to the May 12, 2016, Commission meeting, we posted this rules package, along with the Commissioner’s requested language change from the April 2016 Commission meeting, on our website.

At the May 12, 2016, Study Session, stakeholders were asked what costs they would incur if the rule proposal went into effect. Stakeholders provided feedback as indicated below.

In summary, the rule proposal to change WAC 230-13-067 was discussed at Study Sessions on the following dates: March 11, 2016, April 14, 2016, and May 12, 2016. It will also be discussed at the Study Session on July 14/15, 2016. The rule proposal was discussed and public comment taken at the Commission meetings on March 11, 2016, April 14, 2016, and May 12, 2016. It will also be discussed and public comment will be taken at the July 14/15, 2016, Commission meeting. Lastly, it was discussed at two stakeholder meeting held on February 22, 2016 and April 9, 2016.

This process provided small businesses opportunities in the development of the new rule.

~~~~~

**1. Description of the reporting, record keeping and other compliance requirements of the proposed rule.**

In July 2015, the Commissioners authorized Group 12 amusement games to be played by persons 21 and over. Since this time, numerous questions and concerns have been raised.

At their February 2016 meeting, the Commissioners asked staff to explore regulating the appearance of group 12 amusement games, so that the game does not look like a slot machine. Staff prepared a rule change with two options for consideration at the March meeting. The Commissioners filed the rule option that requires group 12 amusement game operators to prominently display a sticker or an on-screen warning stating: “This is not a slot machine. No cash prizes are allowed. You can preview the points to be awarded if the puzzle is correctly solved available before each play of the game without the insertion of money or anything of value.”

**2. Kinds of professional services that a small business is likely to need in order to comply.**

Small business licensees do not need to use any professional services to comply with this rule change. Licensees can choose how they will comply with this rule if it goes into effect. They can either put a sticker on each group 12 amusement game or work with the manufacturer of the group 12 amusement game to have the game display the warning message on the game screen before a game is played.

If operators choose to put a sticker on each group 12 amusement game they own, they will need to create and print the sticker. Licensees should be able to use store bought labels and print the warning with a home/work computer and printer.

Alternatively, a licensee would only be able to work with its group 12 amusement game manufacturer to place the warning on the manufacturer’s group 12 amusement game software. No additional professional services would be needed for this option.

**3. The actual costs to small businesses of compliance, including costs of equipment, supplies, labor and increased administrative costs.**

There would be some costs to small business licensees to comply with this rule change. As of May 3, 2016, when we asked amusement game owners to tell us how many group 12 amusement games they had in the state, there were about 280 group 12 amusement games placed at about 135 licensed locations in Washington. The most a single owner had was 128 group 12 amusement games in about 55 locations. The second highest number of group 12 amusement games by a single owner is about 50 in 10 locations.

Small business licensees informed us at the May 2016 Study Session that their costs would include printing, labor and gas to print and put the stickers on each their group 12 amusement games. Licensees have not provided an actual monetary cost associated with this rule change.

We contacted one group 12 amusement game manufacturer who estimated it would be a one-time cost of about \$1,000 for a software change to display the warning message.

Alternatively, creating warning label stickers on a work computer and printer should cost less than \$5.00 per sticker. This cost should mostly be a one-time cost unless a sticker needed to be replaced. A box of 1,000 2” x 4” labels, including tax, costs about \$48. Additional costs would include: printer ink and gas and labor to place the labels onto devices they own.

There would also be a labor cost to track which group 12 amusement games had stickers and which did not. However, we don’t know the labor costs per hour of each game owner and the gas it would take to travel to all approximately 135 locations in Washington for the approximately 20 game owners. Some of the games are co-located on the business premises while other games are in locations that are renting the games from the group 12 amusement game owner.

Currently, group 12 amusement game owners go to each location in which a game is in operation at least once a month to check on the game and withdraw the cash from the game. Therefore, game owners should be able to minimize the cost of compliance by placing the warning label onto the machine during one of their regularly scheduled visits to service the games.

Game owners would likely incur the same labor, gas and administrative tracking costs to install the upgraded software on each group 12 amusement game they owned in Washington, which as of May 3, 2016, there were approximately 280 games in about 135 licensed locations. As stated above, we don’t know the labor costs per hour, number of hours and the travel expenses each of the approximate 20 game owners would incur to bring each group 12 amusement game into compliance with this rule.

**4. Whether compliance with the rule, based on feedback received from licensees, will cause businesses to lose sales or revenue.**

This rule should not cause a small business to lose sales or revenue. Stakeholders have not indicated at the two stakeholder meetings and three Study Sessions that compliance with this rule will result in loss of sales or revenue.

**5. A determination of whether the proposed rule will have a disproportionate impact on small businesses.**

This rule should not have a disproportionate impact on small business licensees. We have not received any feedback from small business licensees indicating this proposed rule change will cause them a hardship or disproportionately impact them compared to larger businesses.

All licensees that put a group 12 amusement game into play will have to comply with this rule regardless of the size of their business. The costs for compliance with each licensee to put stickers on their group 12 amusement games will depend on the number of games they own, the proximity of the games to their business, and their labor costs.

We currently have three out-of-state manufacturers of group 12 amusement games. These manufacturers are not currently licensed and they are privately owned businesses. Therefore, we do not know if they qualify as a small business. If any are qualified to be considered a small business, we do not expect this rule to have disproportionate impact on them

Additionally, it is difficult to determine if our small business licensees will be disproportionately impacted without their input. This is a new activity with the first group 12 amusement game approved at the end of September 2015. We do not yet have any financial information on the operation of the group 12 amusement games by their owners. We are, therefore, unable to know the total impact at this time unless licensees provide us information showing how this rule change would disproportionately impact them.

**6. Steps taken by the agency to reduce the costs of the rule on small businesses or reasonable justification for not doing so. Agencies “must consider, without limitation, each of the following methods of reducing the impact of the proposed rule on small businesses:”**

**a. Reducing, modifying, or eliminating substantive regulatory requirements;**

This is a proposed rule for consumer protection to ensure players know group 12 amusement games do not operate as a gambling activity even though it can look similar to a slot machine. The Commissioners initially looked into prohibiting group 12 amusement games from looking like slot machines. This would have placed a much higher burden on licensees and the proposed rule reduced the burden on licensees to only require them to place a warning sticker or have a warning label on the game screen before play of the game.

Additionally, this rule offers flexibility by allowing licensees to choose how they wish to comply with this rule. This also reduces the possible impacts on the licensee and allows the licensee to choose the cheapest, easiest way to provide consumer protection while complying with the rule.

**b. Simplifying, reducing, or eliminating recordkeeping and reporting requirements;**

This rule change does not require any additional recordkeeping or reporting requirements.

**c. Reducing the frequency of inspections;**

This rule will not require additional inspections. Verification of the sticker on the games can be done during routine inspections to verify licensure, identification stamp, and other operational requirements.

**d. Delaying compliance timetables;**

Delaying compliance is impractical because it is in the public interest to provide this consumer protection. Additionally, the rule provides low-cost and flexible options for compliance negating any need to delay compliance with this rule should it become final.

**e. Reducing or modifying fine schedules for noncompliance; or**

There is no fine schedule related to this rule. Any finding of noncompliance with this rule would likely be handled like all other amusement game violations, which is a progressive enforcement model that includes verbal warnings, written warnings, fines, suspension, and revocation. Our goal is to seek voluntary compliance with our licensees through education and training.

**f. Any other mitigation techniques including those suggested by small businesses or small business advocates.**

Only one small business licensee has requested or suggested any mitigation techniques for the implementation of this rule change. One licensee suggested we create and supply the stickers to the operators. We have determined that it is more efficient and cost effective for licensees to have the flexibility to print their own warning stickers and replace them or create a message on the electronic game itself. This provides them the greatest flexibility with the least amount of reliance on the agency for compliance with this rule. Additionally, licensees would still incur the labor and travel costs for installation of the sticker onto each group 12 amusement game regardless of who prints the stickers.

**7. A description of how the Gambling Commission will involve small businesses in the development of the rule.**

In December 2015, we sent notices of rulemaking to all amusement game licensees regarding rules for group 12 amusement games.

At their February 11, 2016, Commission meeting during a discussion of other group 12 amusement game rules, the Commissioners asked staff to explore regulating the appearance so that the group 12 game does not look like a slot machine. On February 12, 2016, staff posted a summary of the Commissioners' request for a rule change in the special "Breaking News" section of our website for group 12 amusement game information. We also posted that we would hold a stakeholder meeting to discuss all group 12 amusement game rules currently being discussed, which included the Commissioner's request for rule change to WAC 230-13-067.

On February 26, 2016, staff posted in the Breaking News section of the website for group 12 amusement games a summary of the February 22, 2016, stakeholder meeting in which this proposed rule was discussed.

At least one week prior to the March 11, 2016 Commission meeting, we posted this rules package, which included this specific rule, on our website.

On March 25, 2016, we posted information on this rule as filed by the Commissioners at their March 11, 2016, Commission meeting in the Breaking News section of our website for group 12 amusement games. We also posted that we would be holding a stakeholder meeting to discuss all group 12 amusement game rules pending on April 9, 2016.

On April 15, 2016, we posted in the Breaking News section of our website for group 12 amusement games a summary of the rules discussed and action taken by the Commissioners at the April Commission meeting.

The rules proposal to change WAC 230-13-067 was discussed at Study Sessions on the following dates: March 11, 2016, April 14, 2016, and May 12, 2016. It will also be discussed at the Study Session on July 14/15, 2016. In addition, the rule proposal was discussed and public comment taken at the Commission meetings on March 11, 2016, April 14, 2016, and May 12, 2016. It will also be discussed and public comment will be taken at the July 14/15, 2016, Commission meeting.

At the April 11, 2016, Commission meeting, a Commissioner asked staff to make additional changes to the rule to make it clearer. The language changes were posted on the agency website with the May 2016 Commission meeting agenda at least one week before the meeting. At the May 12, 2016, Study Session, stakeholders were asked what costs they would incur if the rule proposal went into effect. Stakeholders provided feedback, as indicated above.

**8. A list of industries that will be required to comply with the rule.**

7132. *(Leave this number here)*

**9. An estimate of the number of jobs that will be created or lost as the result of compliance with the proposed rule.**

There is no evidence that any jobs will be created or lost as a result of this rule change. Small business licensees have not indicated any jobs would be created or lost as a result of compliance with this proposed rule change from the three Study Sessions and two stakeholder meetings we have discussed this rule change.



**Amend:**

- WAC 230-13-075 Assigning and reporting group numbers of authorized amusement games.
- WAC 230-13-170 Recordkeeping for commercial amusement games.
- WAC 230-07-125 Recordkeeping requirements for lower volume charitable or nonprofit organizations.
- WAC 230-13-005 Amusement games authorized.

**July 2016 – Further Discussion**

**June 2016 – No Meeting**

**May 2016 – Further Discussion**

**April 2016 – Further Discussion**

**March 2016 – Up for Discussion and Possible Filing**

|                                             |                                         |
|---------------------------------------------|-----------------------------------------|
| TAB 3: July 2016 Commission Meeting Agenda. | Statutory Authority 9.46.070, 9.46.0201 |
|---------------------------------------------|-----------------------------------------|

Who proposed the rule changes?

Staff.

Proposed Changes

**Bold/Underline = Changes made after the May 2016 Commission Meeting**

In July 2015, the Commissioners authorized Group 12 amusement games to be played by persons 21 and over. Since this time, numerous questions and concerns have been raised.

These rules address:

- Recordkeeping; and
- The non-transferability of tokens.

Currently, amusement game operators are only required to notify us once a year of the amusement games they have. They are also only required to report their overall amusement game gross receipts. With this rule change, we will know where Group 12 amusement games are being operated so we can conduct compliance inspections and the gross receipts these games are bringing in.

For group 12 amusement games, coupons, tickets, tokens or tokens on an electronic token cards are nontransferable, such as player tracking systems, customer rewards systems, etc. Prohibiting the tokens from being transferred will help ensure that cash is not, in the end, awarded.

**Version 2 was added to two rules for filing for further discussion at the July Commission meeting.**

**The changes are as follows:**

- **WAC 230-13-170(1)(a) and -170(2)(a) – (c) no longer strike the word gambling from the rules. Gross gambling receipts is defined in WAC 230-06-150. Removing the word would require a new rule to define “gross receipts”; and**
- **WAC 230-13-170(1)(a)(i-ii) clarifies that licensees would need to track group 12 amusement game gross gambling receipts separately from the combined gross gambling receipts from groups 1 through 11; and**
- **WAC 230-13-005 (4)(b)(iii) Allows licensees to electronically store coupons, tickets, tokens or tokens on an electronic token card onto an amusement game accounting system that cannot be commingled with any tracking, reward, or other gambling related redemption system.**

**A Small Business Economic Impact Statement was prepared and is attached.**

Attachments:

- Budget Proviso (the following language was included in the budget passed by the legislature):  
“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.”
- Email from Monty Harmon.
- **Small Business Economic Impact Statement.**

Licensee Impacts

- As of April 2016, we have approximately 385 Group 12 amusement games in Washington.
- As of February 8, 2016, there were approximately 430 Group 12 amusement games in Washington.
- Licensees would be required to notify us within 30 days of putting into play or removing from play Group 12 amusement games. Notification would be in the format we require, which could be done by submitting a paper form or through My Account.
- Licensees would be required to record and report gross receipts from Group 12 amusement games separately from the gross receipts of other amusement games.
- Licensees would be able to allow players to store prize points won on an electronic token card for redemption at a future date. Group 12 amusement games currently in operation do not accept electronic token cards, but other amusement games, Groups 1 through 11, do.
- **Licensees would be able to electronically store coupons, tickets, tokens or tokens on an electronic token card onto an amusement game accounting system that cannot be commingled with any tracking, reward, or other gambling related redemption system.**

Agency Impacts

- Staff will need to develop a form and possible My Account reporting for licensees to report when they put Group 12 amusement games into play and when they remove games from play.
- Staff will need to make a change to the annual amusement game activity report to collect gambling receipts information from Group 12 amusement games.

Statements Supporting or Opposing the Proposed Rule Change

We have received one written statement. See attached.

Staff Recommendation

Further discussion.

Staff is recommending Commissioner file Version 2 of WAC 230-13-005 for further discussion.

Proposed Effective Date for Rule Change

31 days from filing.

## **Amended Section**

### **WAC 230-13-075 Assigning and reporting group numbers of authorized amusement games.**

(1) Amusement game licensees must determine the authorized group number of each game and prepare a list of all games they plan to operate during each license year. They must submit this list to us with their activity report. The list must contain, at least, the name and group number of each game.

(2) Amusement game licensees must notify us within 30 days of putting into play and removing from play a group 12 amusement game. Reporting must be in the format we require.

[Statutory Authority: RCW [9.46.070](#). WSR 07-15-064 (Order 612), § 230-13-075, filed 7/16/07, effective 1/1/08.]

**Original Version filed at the March 2016 Meeting**

**Amended Section**

**WAC 230-13-170 Recordkeeping for commercial amusement games.**

(1) Amusement game licensees must prepare a detailed record for each location where they operate games. They must retain the records for at least three years. The records must include details necessary to determine:

- (a) Gross ~~gambling~~ receipts received from players from each group of amusement game; and
- (b) Value of prizes awarded to winners.

(2) Records must include, at least:

(a) The gross ~~gambling~~ receipts collected from amusement games at each location, with receipting records; and

(b) An entry for each withdrawal of receipts from the games. Coin or token activated amusement games only require an entry of the ending meter reading, the number of plays, and gross ~~gambling~~ receipts at the end of each month; and

(c) A summary of the operation of the activity. This includes, at least, coin-in meter readings and gross ~~gambling~~ receipts. Operators must provide these coin-in meter readings and gross ~~gambling~~ receipts to charitable or nonprofit organizations each time they service a game or disburse money.

(3) Licensees must report at least monthly the number and actual cost of merchandise prizes awarded for each location.

(4) For amusement games that issue tickets for the redemption of prizes, licensees must at least log the beginning and ending nonresettable ticket out meters or ticket numbers during each collection of funds from each game.

(5) Licensees must provide the full details for all amusement game operating expenses.

[Statutory Authority: RCW [9.46.070](#). WSR 07-15-064 (Order 612), § 230-13-170, filed 7/16/07, effective 1/1/08.]

**Version 2 Up for Filing for Further Discussion at the July 2016 Commission meeting.**

**Changes are in Yellow**

**Amended Section**

**WAC 230-13-170 Recordkeeping for commercial amusement games.**

(1) Amusement game licensees must prepare a detailed record for each location where they operate games. They must retain the records for at least three years. The records must include details necessary to determine:

- (a) Gross **gambling** receipts received from players **from:**
  - (i) **each Group 1 through 11 of amusement games;** and
  - (ii) **Group 12 amusement games; and**

- (b) Value of prizes awarded to winners.

(2) Records must include, at least:

- (a) The gross **gambling** receipts collected from amusement games at each location, with receipting records; and

- (b) An entry for each withdrawal of receipts from the games. Coin or token activated amusement games only require an entry of the ending meter reading, the number of plays, and gross **gambling** receipts at the end of each month; and

- (c) A summary of the operation of the activity. This includes, at least, coin-in meter readings and gross **gambling** receipts. Operators must provide these coin-in meter readings and gross **gambling** receipts to charitable or nonprofit organizations each time they service a game or disburse money.

(3) Licensees must report at least monthly the number and actual cost of merchandise prizes awarded for each location.

(4) For amusement games that issue tickets for the redemption of prizes, licensees must at least log the beginning and ending nonresettable ticket out meters or ticket numbers during each collection of funds from each game.

(5) Licensees must provide the full details for all amusement game operating expenses.

[Statutory Authority: RCW [9.46.070](#). WSR 07-15-064 (Order 612), § 230-13-170, filed 7/16/07, effective 1/1/08.]

## Amended Section

### WAC 230-07-125 Recordkeeping requirements for lower volume charitable or nonprofit organizations.

(1) Organizations operating without a license under RCW [9.46.0315](#) or [9.46.0321](#) and lower volume charitable or nonprofit licensees must keep a set of permanent monthly records of the gambling activities. Lower volume licensees include:

- (a) Fund-raising events;
- (b) Bingo (Classes A, B, and C);
- (c) Raffles (Classes A, B, C, and D);
- (d) Amusement games (Classes A, B, C, and D); and
- (e) Card games (Classes A, B, and C).

(2) The monthly records must include, at least:

(a) The gross receipts from each activity;

~~(b)~~ **The gross receipts from group 12 amusement games;**

~~(bc)~~ The total amount of cash prizes actually paid out;

~~(ed)~~ The total of the cost to the licensee of all merchandise prizes actually paid out for each activity;

~~(de)~~ A summary of all expenses related to each of the activities; and

~~(ef)~~ The net income received from the activity, the purpose(s) for which the net income was raised, and the amount paid to each recipient.

(3) Licensees must keep these records for three years from the end of the license year for which the record was created.

(4) Organizations operating under RCW [9.46.0315](#) or [9.46.0321](#) must maintain their records for one year.

[Statutory Authority: RCW [9.46.070](#). WSR 07-10-032 (Order 609), § 230-07-125, filed 4/24/07, effective 1/1/08.]

## Original Version filed at the March Meeting

### Amended Section

#### WAC 230-13-005 Amusement games authorized.

(1) We authorize the 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, or tokens on an electronic token card; and

(ii) These games may dispense merchandise prizes, or coupons, tickets, ~~or~~ tokens, or tokens onto an electronic token card redeemable for merchandise prizes; and

(iii) For group 12 amusement games, coupons, tickets, tokens or tokens on an electronic token cards are nontransferable, such as player tracking systems, customer rewards systems, etc.

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

(6) Electronic token card means a card issued by the operator that stores purchased credits available to play the amusement game separate from the coupons, tickets, or tokens awarded or dispensed as prizes from the play of the amusement game. Coupons, tickets, or tokens awarded as prizes cannot be used to play amusement games and must only be redeemed for merchandise prizes.

[Statutory Authority: RCW [9.46.070](#) and [9.46.0331](#). WSR 15-15-063 (Order 713), § 230-13-005, filed 7/10/15, effective 8/10/15. Statutory Authority: RCW [9.46.070](#). WSR 07-15-064 (Order 612), § 230-13-005, filed 7/16/07, effective 1/1/08.]

**Version 2 Up for Filing for Further Discussion at the July 2016 Commission meeting.**

**Changes are in Yellow**

*(Effective July 15, 2016.)*

**WAC 230-13-005 Amusement games authorized.**

(1) We authorize the 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 group 1 through 11 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; and

(iii) An attendant accepts cash, check, tickets or scrip to play the amusement game. The tickets and scrip are not redeemable for cash and must show the name of the operator or sponsor; 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, cash, tokens, or tokens on an electronic token card; and

(ii) These games may dispense merchandise prizes, or coupons, tickets, tokens, or tokens onto an electronic token card redeemable for merchandise prizes.

**(iii) Coupons, tickets, tokens or tokens on an electronic token card can be electronically stored for redemption under this section as long as the coupons, tickets, tokens or tokens on an electronic token card are:**

**(A) Deposited into, and tracked on, a separate amusement game accounting system; and**

**(B) Not commingled with any tracking, reward, or other gambling related redemption systems; and**

**(C) Redeemed only for merchandise prizes.**

(5) Amusement games must not:

(a) Award additional plays as prizes; or

(b) Allow coupons, tickets, tokens or tokens on electronic token cards that are awarded to be replayed; or

(c) Result in any cash payment being awarded.

(6) Amusement games must only award merchandise prizes.

(a) Merchandise prizes mean noncash prizes including toys, novelties, retail items such as electronic goods, clothing, accessories, as well as food, beverages and other items sold by the operator as a normal part of their business in compliance with all other state laws and regulations, except as provided in (b) of this subsection.

(b) Pull-tabs and other gambling activities, gift certificates or gift cards do not constitute merchandise prizes.

(7) Electronic token card means a card issued by the operator that stores purchased credits available to play the amusement game separate from the coupons, tickets, or tokens awarded or dispensed as prizes from the play of the amusement game. Coupons, tickets, or tokens awarded as prizes cannot be used to play amusement games and must only be redeemed for merchandise prizes.

[Statutory Authority: RCW [9.46.070](#), [9.46.0201](#). WSR 16-09-045 (Order 719), § 230-13-005, filed 4/15/16, effective 7/15/16. Statutory Authority: RCW [9.46.070](#) and [9.46.0331](#). WSR 15-15-063 (Order 713), § 230-13-005, filed 7/10/15, effective 8/10/15. Statutory Authority: RCW [9.46.070](#). WSR 07-15-064 (Order 612), § 230-13-005, 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.

**From:** [Monty Harmon](#)  
**To:** [Griffin, Tina \(GMB\)](#)  
**Subject:** Amusement game rules  
**Date:** Tuesday, March 29, 2016 5:02:21 PM

---

Tina,

Thank you for requesting input on the Amusement Rules.

I would like the following changes to the proposed rules:

WAC 230-13-005 - Please eliminate section 4.b.iii

Staff does not need to restrict the token record systems. We developed a system separate from other player reward accounts that should be allowed under the rules and not prohibited.

WAC 230-13-005 (6) please amend the last sentence to read "Coupons, Tickets or Tokens awarded as prizes cannot be used to play amusement games once dispensed. Once dispensed from a machine they must only be redeemed for merchandise prizes.

Thank you

Monty Harmon

**CONFIDENTIALITY NOTICE:**

This electronic transmission (and/or the documents accompanying it) may contain confidential information belonging to the sender. The information is proprietary and is intended solely for the use of the individual or entity named above. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this information is strictly prohibited. If you have received this transmission in error, please notify this office immediately to arrange for the return of the documents. Thank you.

Please do not print this e-mail unless you really need to. Thanks!

**Small Business Economic Impact Statement – RCW 19.85.040  
Washington State Gambling Commission**

**May 20, 2016**

**Proposed Changes to Rules:**

WAC 230-13-075 Assigning and reporting group numbers of authorized amusement games.

WAC 230-13-170 Recordkeeping for commercial amusement games.

WAC 230-07-125 Recordkeeping requirements for lower volume charitable or nonprofit organizations.

WAC 230-13-005 Amusement games authorized.

This rules package would:

- Require licensees to notify us within 30 days of putting into play and removing from play a group 12 amusement game in the format we require.
- Require licensees record gross gambling receipts received from players for group 12 amusement games separately from the gross gambling receipts from groups 1 through 11.
- Allow coupons, tickets, tokens or tokens on an electronic token card dispensed from a group 12 amusement game to be stored for redemption under this rule on a system that does not commingle the coupons, tickets, tokens or tokens on an electronic token card with anything else.

**Involvement of Small Businesses:**

We filed the Code Revisor's 101 on March 2, 2016, under WSR# 16-06-130.

On July 2015, the Commissioners approved a new type of amusement game, group 12 amusement games with the passage of a new rule.

In October 2015, operators began putting group 12 amusement games into play and a number of questions arose regarding the operation, licensure, recordkeeping, and regulatory controls for this new type of amusement games. In an effort to address the questions and get information out to stakeholders timely, we started posting information on our website under Breaking News on group 12 amusement games.

On November 9, 2015, we sent an email to the Class B and above amusement game licensees that we had email addresses for informing them that we had drafted rules for discussion on a number of different issues concerning Group 12 amusement games. (These rules did not include this rule change.)

On November 12, 2015, we asked stakeholders that attended the Study Session, which is open to the general public, to submit any comments or rule change language, not limited to the rules staff

drafted, to address the issues surrounding group 12 amusement games to commission staff by November 30, 2015.

On December 24, 2015, we sent notice to all commercial and amusement game licensees of the updated rule proposals based the feedback we received during the comment period. We also posted the draft rules on our website.

In February 2016, while other group 12 amusement game rules were being considered, staff put this rules package together, which included this specific rule, to address some other regulatory concerns with group 12 amusement games.

At least one week prior to the March 11, 2016 Commission meeting, we posted this rules package on our website.

On March 25, 2016, we posted information on this rules package as filed by the Commissioners at their March 11, 2016, Commission meeting in the special “Breaking News” section of our website for group 12 amusement games. We also posted that we would be holding a stakeholder meeting to discuss all group 12 amusement game rules pending on April 9, 2016, to include this rules package, which included this specific rule.

On April 9, 2016, we held a stakeholder meeting to discuss all group 12 amusement game rules, which included all rules in this package, which included this specific rule.

At least one week prior to the April 14, 2016, Commission meeting, we posted this rules package on our website, which included this specific rule.

On April 15, 2016, we posted in the special section of our website for group 12 amusement games a summary of the rules discussed and action taken by the Commissioners at the April Commission meeting.

At least one week prior to the May 12, 2016, Commission meeting, we posted this rules package on our website, which included this specific rule.

At the May 12, 2016, Study Session, stakeholders were asked what costs they would incur if the rule proposal went into effect. Stakeholders provided feedback as indicated below.

A meeting was held on May 19, 2016, with the stakeholder that wanted to explore possible options to the rule language being proposed.

In summary, the proposed rule changes were discussed at Study Sessions on the following dates: March 11, 2016, April 14, 2016, and May 12, 2016. It will also be discussed at the Study Session on July 14/15, 2016. The rule proposal was discussed and public comment taken at the Commission meetings on March 11, 2016, April 14, 2016, and May 12, 2016. It will also be discussed and public comment will be taken at the July 14/15, 2016, Commission meeting. The

proposed changes were discussed at a stakeholder meeting on April 9, 2016 and with one stakeholder on May 19, 2016 to discuss possible changes to the proposed language.

This process provided small businesses opportunities in the development of the new rule.

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**1. Description of the reporting, record keeping and other compliance requirements of the proposed rule.**

In July 2015, the Commissioners authorized Group 12 amusement games to be played by persons 21 and over with the passage of one rule. Since this time, numerous questions and concerns have been raised surrounding the operation and regulation of group 12 amusement games. We have discovered that more rules were needed with the new activity.

Reporting Requirement – This rules package requires amusement game licensees to notify us within 30 days of placing a group 12 amusement game into play or removing it from play.

Currently, amusement game licensees are only required to report to us the amusement games they have in play once a year. Without this rule change, we have no way of knowing where these games, which have been of great interest and have been controversial, are placed. This will allow us to know, within a 30 day window, where and how many group 12 amusement games are in the state.

Recordkeeping Requirement – This rules package requires licensees that operate group 12 amusement games to record gross gambling receipts of group 12 games separate from the gross gambling receipts of group 1 through 11 amusement games.

Currently, amusement game licensees must record the combined gross gambling receipts of amusement games regardless of the group or type of amusement game they operate.

Nontransferability of tokens awarded on group 12 amusement games – This rule package allows coupons, tickets, tokens or tokens on an electronic token card dispensed from a group 12 amusement game to be stored for redemption on a system that does not commingle the coupons, tickets, tokens or tokens on an electronic token card with anything else.

This will prevent group 12 amusement game licensees from circumventing the prohibition against gift cards/cash by allowing cash/gift cards to be awarded through a player tracking or customer reward system. By not allowing operators to transfer tokens awarded from a group 12 amusement game, licensees will be required to

follow the redemption and operation requirements set out in RCW 9.46.0201 and WAC 230-13-005.

**2. Kinds of professional services that a small business is likely to need in order to comply.**

Small businesses should not need any additional professional services other than those accounting services that may be currently used to assist with current reporting and record keeping requirements.

Reporting requirement – Professional services will not be needed for small businesses to comply with this portion of the rule change. Licensees can provide the required information through the Commission’s My Account, which licensees are required to use to renew their license. My Account is an on-line account, customized for each licensee. For those licensees that do not have a computer, they will have to submit a form. The information required to be submitted to the Commission to comply with this rule will likely be the name of licensee, name and address of the licensed location where the game is physically located, the approved group 12 amusement game(s) placed or removed, the date the game(s) was placed or removed, and the number of approved group 12 amusement games placed or removed.

Recordkeeping requirement – Rules already require commercial and nonprofit amusement game licensees to record and report amusement game gross receipts. Licensees record and report the combined gross receipts from all group 1 through 11 amusement games they operate. Licensees may be using professional services to comply with the current rule. The proposed rule would require licensees to add to their records a separate line item for group 12 gross receipts and report that to us separate from their total group 1 through 11 amusement game gross receipts.

Nontransferability of tokens awarded from group 12 amusement games – Professional services will not be required for group 12 amusement game operators to comply with this rule proposal. This portion of the rules package allow coupons, tickets, tokens or tokens on an electronic token card dispensed from a group 12 amusement game to be stored for redemption under this rule on a system that does not commingle the coupons, tickets, tokens or tokens on an electronic token card with anything else. Conversely, it will not allow group 12 amusement game operators to transfer coupons, tickets, tokens or tokens on an electronic storage card awarded from a group 12 amusement game to another system, such as a player tracking or customer rewards system. Group 12 amusement game operators will have to redeem the actual coupons, tickets, tokens or tokens on an electronic storage card dispensed from the game.

The rule already requires group 12 amusement games to dispense coupons, tickets, tokens or tokens on an electronic token card to be redeemed for merchandise prizes.

No modifications to the amusement games would be required to comply with this rule.

**3. The actual costs to small businesses of compliance, including costs of equipment, supplies, labor and increased administrative costs.**

Cost should be minimal, if any, to small businesses.

Reporting – The cost for complying with this portion of the rule change will be labor costs to do the reporting and any mailing costs if the licensee does not have a computer. The information most likely required to be reported will be the name of licensee, name and address of the licensed location where the game is physically located, the approved group 12 amusement game(s) placed or removed, the date the game(s) was placed or removed, and the number of approved group 12 amusement games placed or removed.

Small business licensees should be familiar with their obligations to report certain business information to us within 30 days from the event. All reporting will be done through My Account, a free online program that all licensees must use for other reporting and to renew their licenses. Those licensees that do not have a computer or that find it easier to fill out a form can do so and mail it in to us. .

Recordkeeping – There should be minimal increased administrative costs to develop a new line item and record the gross receipts for group 12 amusement games separately from the group 1 through 11 amusement games they operate. Small business licensees already must track and record the gross receipts from group 12 activity with the other amusement game gross receipts for other state agencies. There should also be minimal increased administrative costs to report the total group 12 amusement game gross receipts. Small business licensees already must track and report all amusement game gross receipts to us. This rule change solely requires them to separate group 12 gross receipts from receipts from groups 1-11.

Nontransferability of coupons, tickets, tokens or tokens on an electronic token card dispensed by a group 12 amusement game – There should be no additional costs for compliance with the rule proposal. Currently our rules require all group 12 amusement games to dispense coupons, tickets, tokens or tokens on an electronic token card. This rule proposal would allow coupons, tickets, tokens or tokens on an electronic token card dispensed from a group 12 amusement game to be stored for redemption under this rule on a system that does not commingle the coupons, tickets, tokens or tokens on an electronic token card with anything else.

**4. Whether compliance with the rule, based on feedback received from licensees, will cause businesses to lose sales or revenue.**

This rule should not cause a small business to lose sales or revenue. One small business licensee with 49 group 12 amusement games in operation at 10 licensed locations in Washington indicated that he spent at least \$7,500 on a software program allowing him to store group 12 amusement game tokens on his player tracking system. This licensee indicated he will close down all of his group 12 amusement games in the state if this rule is passed. However, he did not share how sales or revenue would be affected by this rule change.

No other small business stakeholders indicated any possible loss of sales or revenue at the April 9, 2016, stakeholder meeting; the April 14, 2016 Study Session or Commission meeting; or at the May 12, 2016 Study Session or Commission meeting.

**5. A determination of whether the proposed rule will have a disproportionate impact on small businesses.**

This rule should not have a disproportionate impact on small businesses. All licensees with group 12 amusement games in play will have to comply with this rule regardless of the size of their business.

**6. Steps taken by the agency to reduce the costs of the rule on small businesses or reasonable justification for not doing so. Agencies “must consider, without limitation, each of the following methods of reducing the impact of the proposed rule on small businesses:”**

**a. Reducing, modifying, or eliminating substantive regulatory requirements;**

Group 12 amusement games were approved by the Commissioners in July 2015 with the passage of one rule to allow the games. Since that time, we have determined that more rules are necessary to regulate the activity.

The Commission kept the reporting timeline, 30 days from placing into or removing from play, the same as it has for all other reportable information. We also will make the form available on our My Account to make reporting as easy as possible for licensees.

Licensees could allow coupons, tickets, tokens or tokens on an electronic token card dispensed from a group 12 amusement game to be stored for redemption under this rule on a system that does not commingle the coupons, tickets, tokens or tokens on an electronic token card with anything else.

**b. Simplifying, reducing, or eliminating recordkeeping and reporting requirements;**

The Commission is only requiring licensees to separately report group 12 amusement game gross receipts. The reporting requirement is simplified by allowing group 12 gross receipts to be reported online through My Account, which is available to licensees when they report their amusement game gross receipts now. Licensees are still allowed to report their combined group 1 through 11 gross receipts. .

Additionally, reporting the placement or removal of group 12 amusement games can simply be done online through My Account. The Commission is only requiring limited information, such as the name of licensee, name and address of the licensed location where the game is physically located, the approved group 12 amusement game(s) placed or removed, the date the game(s) was placed or removed, and the number of approved group 12 amusement games placed or removed.

**c. Reducing the frequency of inspections;**

This rule will not require additional inspections. Verification of compliance with these rules can be done during routine inspections to verify licensure, identification stamp, and other operational requirements.

**d. Delaying compliance timetables;**

Delaying compliance is unnecessary because the cost for compliance is minimal and these rules are necessary for monitoring and regulating these new electronic amusement games.

**e. Reducing or modifying fine schedules for noncompliance; or**

There is no fine schedule related to this rule. Any finding of noncompliance with this rule would likely be handled like all other amusement game violations, which is a progressive enforcement model that includes verbal warnings, written warnings, fines, suspension, and revocation. Our goal is to seek voluntary compliance with our licensees through education and training.

**f. Any other mitigation techniques including those suggested by small businesses or small business advocates.**

Only one small business licensee has requested or suggested any mitigation techniques for the implementation of this rule change. This licensee's suggestion was to withdraw the rule change regarding nontransferability of tokens dispensed

from a group 12 amusement game. The licensee did not suggest an alternative rule that would mitigate any cost the rule would have to his small business.

The Commission considered changes to the original proposed rule language and has changed the language to allow coupons, tickets, tokens or tokens on an electronic token card dispensed from a group 12 amusement game to be stored for redemption under this rule on a system that does not commingle the coupons, tickets, tokens or tokens on an electronic token card with anything else.

The Commission has a responsibility to prevent amusement game licensees from circumventing the prohibition against gift cards/cash by allowing cash/gift cards to be awarded through a player tracking or customer reward system. By not allowing operators to transfer tokens awarded from a group 12 amusement game, licensees will be required to follow the redemption and operation requirements set out in RCW 9.46.0201 and WAC 230-13-005.

**7. A description of how the Gambling Commission will involve small businesses in the development of the rule.**

On November 9, 2015, we sent an email to the Class B and above amusement game licensees that we had email addresses for informing them that we had drafted rules for discussion on a number of different issues concerning Group 12 amusement games. (These rules did not include this rule change.)

On November 12, 2015, we asked stakeholders that attended the Study Session, which is open to the general public, to submit any comments or rule change language, not limited to the rules staff drafted, to address the issues surrounding group 12 amusement games to commission staff by November 30, 2015.

On December 24, 2015, we sent notice to all commercial and amusement game licensees of the updated rule proposals based the feedback we received during the comment period. We also posted the draft rules on our website.

In February 2016, while other group 12 amusement game rules were being considered, staff put this rules package together to address some other regulatory concerns with group 12 amusement games.

At least one week prior to the March 11, 2016 Commission meeting, we posted this rules package on our website.

On March 25, 2016, we posted information on this rules package as filed by the Commissioners at their March 11, 2016, Commission meeting in the special section of our website for group 12 amusement games. We also posted that we

would be holding a stakeholder meeting to discuss all group 12 amusement game rules pending on April 9, 2016, to include this rules package.

On April 9, 2016, we held a stakeholder meeting to discuss all group 12 amusement game rules, which included all rules in this package and this specific rule.

At least one week prior to the April 14, 2016, Commission meeting, we posted this rules package on our website, which included this specific rule.

On April 15, 2016, we posted in the special section of our website for group 12 amusement games a summary of the rules discussed and action taken by the Commissioners at the April Commission meeting.

At least one week prior to the May 12, 2016, Commission meeting, we posted this rules package on our website, which included this specific rule.

At the May 12, 2016, Study Session, stakeholders were asked what costs they would incur if the rule proposal went into effect.

A meeting was held on May 19, 2016, with the stakeholder that provided an email in opposition to one of the rule changes.

**8. A list of industries that will be required to comply with the rule.**

7132. *(Leave this number here)*

**9. An estimate of the number of jobs that will be created or lost as the result of compliance with the proposed rule.**

There is only evidence that one full-time and one part-time job will be lost as a result of the proposed rule changes. One small business licensee that has 49 group 12 amusement games in operation at 10 licensed locations in Washington and spent at least \$7,500 on a software program to store tokens dispensed on the player tracking system indicated that they will stop operating all of their group 12 amusement games in the state. This action will result in the loss of one full-time bookkeeper, a part-time technician, and it will terminate the use of an on-call technician that flies in from California when his service is needed.

No other small business licensees have indicated that any jobs would be created or lost as a result of compliance with this proposed rule change.



**Amend**

- WAC 230-03-185 Applying for a manufacturer license.
- WAC 230-03-190 Applying for a distributor license.
- WAC 230-06-110 Buying, selling, or transferring gambling equipment.

**New Section**

WAC 230-06-112 Buying, selling, renting and leasing amusement games.

**July 2016 – Further Discussion**

**June 2016 – No Meeting**

**May 2016 – Further Discussion**

**April 2016 – Up for Discussion and Possible Filing**

|                                             |                                         |
|---------------------------------------------|-----------------------------------------|
| TAB 4: July 2016 Commission Meeting Agenda. | Statutory Authority 9.46.070, 9.46.0201 |
|---------------------------------------------|-----------------------------------------|

|                                |
|--------------------------------|
| Who proposed the rule changes? |
|--------------------------------|

|       |
|-------|
| Staff |
|-------|

|                                       |
|---------------------------------------|
| Proposed Changes and Licensee Impacts |
|---------------------------------------|

**Bold/Underline = Changes after the May 2016 Commission Meeting.**

In March 2016, the Commissioners approved rule changes that required distributors of group 12 amusement games to be licensed. Staff realized upon passage of the rule change that the rules would have required Class B and above amusement game licensees who would like to own and/or lease group 12 amusement games to have a distributor’s license in addition to, or in place of, the license they currently have. This was not the intent of the original rule change.

This rules package clearly defines:

- The activities of a manufacturer and distributor of group 12 amusement games, Class A amusement game licensees, Class B and above amusement game licensees; and
- Who needs a distributor license.

Businesses will need a:

- Distributor’s license if they buy or lease a group 12 amusement game from another licensee and sell or lease the group 12 amusement game to a Class B or above amusement game licensee; or
- Class B or above amusement game license if they:
  - Own and operate group 1 through 12 amusement games at their licensed premises; and
  - Lease or buy group 12 amusement games from a licensed manufacturer or distributor and lease or rent them to a Class A amusement game licensee; and
  - Lease or rent group 1 through 11 amusement games to Class A amusement game licensees.

Manufacturers will only be able to sell or lease group 12 amusement games to licensed distributors or Class B or above amusement game licensees.

Only Class B and above licensees will be able to rent or lease group 12 amusement games to Class A amusement game licensees.

**A Small Business Economic Impact Statement was prepared and is attached.**

Attachments:

Budget Proviso (the following language was included in the budget passed by the legislature):

“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.”

**Small Business Economic Impact Statement**

|                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Stakeholder Impacts                                                                                                                                                                                                                                                                                                                            |
| Without this rule change, some class B and above licensees would need to get an additional distributor’s license, which would be more costly to licensees.                                                                                                                                                                                     |
| Agency Impacts                                                                                                                                                                                                                                                                                                                                 |
| <ul style="list-style-type: none"><li>• Without clear definitions of the type of license needed for the activity being conducted, we will have inconsistency in licensing.</li><li>• We would not have an accurate reporting of gross receipts from group 12 amusement games if we do not clearly define the activity at each level.</li></ul> |
| Staff Recommendation                                                                                                                                                                                                                                                                                                                           |
| Further discussion.                                                                                                                                                                                                                                                                                                                            |
| Proposed Effective Date for Rule Change                                                                                                                                                                                                                                                                                                        |
| 31 days from filing.                                                                                                                                                                                                                                                                                                                           |

## **Amended Section**

### **WAC 230-03-185 Applying for a manufacturer license.**

- (1) You must apply for a manufacturer license if you:
  - (a) Make or assemble a completed piece or pieces of gambling equipment for use in authorized gambling activities; or
  - (b) Convert, modify, combine, add to, or remove parts or components of any gambling equipment for use in authorized gambling activities; or
  - (c) Manufacture group 12 amusement games. Manufacturers of group 12 amusement games that were approved before the effective date of this rule must apply by May 1, 2016, and be licensed by December 31, 2016. Manufacturers of group 12 amusement games can sell or lease group 12 amusement games to a licensed distributor or a Class B or above amusement game licensee.
- (2) You must demonstrate your ability to comply with all manufacturing, quality control, and operations restrictions imposed on authorized gambling equipment that you want to manufacture or market for use in Washington State.
- (3) The licensing process may include an on-site review of your manufacturing equipment and process for each separate type of authorized gambling equipment to ensure compliance capability.

[Statutory Authority: RCW 9.46.070. WSR 09-11-085 (Order 646), § 230-03-185, filed 5/18/09, effective 7/1/09; WSR 06-07-157 (Order 457), § 230-03-185, filed 3/22/06, effective 1/1/08.]

## Amended Section

### WAC 230-03-190 Applying for a distributor license.

You must apply for a distributor license if you:

(1) Buy or otherwise obtain a finished piece of gambling equipment for use in authorized gambling activities or a group 12 amusement game from another person and sell or provide that gambling equipment to a third person for resale, display, or use; or

(2) Are a manufacturer who sells or provides gambling equipment you do not make to any other person for resale, display, or use; or

(3) Service and repair authorized gambling equipment. However, distributors must not add, modify, or alter the gambling equipment; or

(4) Modify gambling equipment using materials provided by manufacturers to upgrade equipment to current technology.

(5) Buy or lease a group 12 amusement game from another licensee and sell or lease the group 12 amusement game to a Class B and above amusement game licensee.

[Statutory Authority: RCW 9.46.070. WSR 06-07-157 (Order 457), § 230-03-190, filed 3/22/06, effective 1/1/08.]

## **Amended Section**

### **WAC 230-06-110 Buying, selling, or transferring gambling equipment.**

(1) All licensees and persons authorized to possess gambling equipment must closely control the gambling equipment in their possession.

(2) Before selling gambling equipment, licensees must ensure that the buyer possesses a valid gambling license or can legally possess the equipment without a license.

(3) Before purchasing gambling equipment, licensees must ensure that the seller possesses a valid gambling license.

(4) Applicants for Class F or house-banked card room licenses may purchase and possess gambling equipment during the precicensing process, but only after receiving written approval from us.

(5) Charitable and nonprofit organizations conducting unlicensed bingo games, as allowed by RCW 9.46.0321, may possess bingo equipment without a license.

(6) Group 12 amusement games can only be sold or leased to Class B and above amusement game licensees by a licensed manufacturer or distributor ~~to a licensee~~. Class B and above amusement game licensees can lease or rent group 12 amusement games to Class A amusement game licensees. Lease agreements entered into prior to the effective date of this rule may continue until the manufacturer is licensed or December 31, 2016, whichever occurs first.

(7) Licensees may transfer gambling equipment as a part of a sale of a business as long as a condition of the sale is that the buyer receives a gambling license before the sale is complete. Licensees must make a complete record of all gambling equipment transferred in this manner, including I.D. stamps. Licensees must report these transfers, including a copy of the inventory record, to us.

[Statutory Authority: RCW 9.46.070. WSR 08-11-044 (Order 628), § 230-06-110, filed 5/14/08, effective 7/1/08; WSR 07-21-116 (Order 617), § 230-06-110, filed 10/22/07, effective 1/1/08; WSR 06-17-132 (Order 601), § 230-06-110, filed 8/22/06, effective 1/1/08.]

New Section

WAC 230-06-112 Buying, selling, renting and leasing amusement games.

- (1) Class A amusement game licensees can rent or lease amusement games from Class B and above amusement game licensees.
- (2) Class B and above amusement game licensees can:
  - a. Own and operate group 1 through 12 amusement games at their licensed premises; and
  - b. Buy or lease group 12 amusement games from a licensed manufacturer or distributor and lease or rent them to Class A amusement game licensees; and
  - c. Rent or lease group 1 through 11 amusement games to Class A amusement game licensees.

**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.

**Small Business Economic Impact Statement – RCW 19.85.040  
Washington State Gambling Commission**

**May 20, 2016**

**Proposed Changes to Rules:**

**Amend**

WAC 230-03-185 Applying for a manufacturer license.

WAC 230-03-190 Applying for a distributor license.

WAC 230-06-110 Buying, selling, or transferring gambling equipment.

**New Section**

WAC 230-06-112 Buying, selling, renting and leasing amusement games.

Businesses will need a:

- Distributor’s license if they buy or lease a group 12 amusement game from another licensee and sell or lease the group 12 amusement game to a Class B or above amusement game licensee; or
- Class B or above amusement game license if they:
  - Own and operate group 1 through 12 amusement games at their licensed premises; and
  - Lease or buy group 12 amusement games from a licensed manufacturer or distributor and lease or rent them to a Class A amusement game licensee; and
  - Lease or rent group 1 through 11 amusement games to Class A amusement game licensees.

**Involvement of Small Businesses:**

We filed the Code Revisor’s 101 on April 4, 2016, under WSR#16-08-057.

On July 2015, the Commissioners approved a new type of amusement game, group 12 amusement games with the passage of a new rule, WAC 230-13-067.

In October 2015, operators began putting group 12 amusement games into play and a number of questions arose regarding the operation, licensure, recordkeeping, and regulatory controls for this new type of amusement games. In an effort to address the questions and get information out to stakeholders timely, we started posting information on our website under Breaking News on group 12 amusement games.

On November 9, 2015, we sent an email to the Class B and above amusement game licensees that we had email addresses for informing them that we had drafted rules for discussion on a number of different issues concerning Group 12 amusement games. (These rules did not include this rule change.)

On November 12, 2015, we asked stakeholders that attended the Study Session, which is open to the general public, to submit any comments or rule change language, not limited to the rules staff drafted, to address the issues surrounding group 12 amusement games to commission staff by November 30, 2015.

On December 24, 2015, we sent notice to all commercial and amusement game licensees of the updated rule proposals based the feedback we received during the comment period. We also posted the draft rules on our website, which included licensing of manufacturers and distributors of group 12 amusement games.

Original rules changes to WAC 230-03-185, 230-03-190, and 230-06-110 to address group 12 amusement games were discussed at the Study Session, open to the general public, and the Commission Meetings, through discussion and public testimony, on January 14, 2016, February 11, 2016 meeting, and March 11, 2016.

On March 11, 2016, the Commissioners approved the original rule changes to these three rules to incorporate group 12 amusement games; a Small Business Economic Impact Statement was prepared for this original rule change. Staff realized upon passage of the rule change that the rules would have required Class B and above amusement game licensees who would like to own and/or lease group 12 amusement games to have a distributor's license in addition to, or in place of, the license they currently have. This was not the intent of the original rule change.

This rules package was prepared to provide clarity of the type of license required, manufacturer, distributor or Class B or above amusement game license, based on who the licensee was selling or leasing the group 12 amusement game to.

On March 25, 2016, we posted in the special section of our website for group 12 amusement game information that we would be holding a stakeholder meeting to discuss all group 12 amusement game rules pending on April 9, 2016, which included this new rules package and this specific rule.

On April 9, 2016, we held a stakeholder meeting to discuss all group 12 amusement game rules, which included all rules in this package and this specific rule.

At least one week prior to the April 14, 2016, Commission meeting, we posted this rules package on our website, which included this specific rule.

At the April 14, 2016, Commission meeting, this rules package was discussed at the Study Session and Commission meeting. On April 15, 2016, we posted in the special section of our website for group 12 amusement games a summary of the rules discussed and action taken by the Commissioners at the April Commission meeting.

At least one week prior to the May 12, 2016, Commission meeting, we posted this rules package on our website, which included this specific rule.

At the May 12, 2016, Study Session, stakeholders were asked what costs they would incur if the rule proposal went into effect. Stakeholders provided feedback as indicated below.

In summary, these proposed rule changes were discussed at Study Sessions on the following dates: April 14, 2016 and May 12, 2016. It will also be discussed at the Study Session on July 14/15, 2016. The rule proposal was discussed and public comment taken at the Commission meetings on April 14, 2016 and May 12, 2016. It will also be discussed and public comment will be taken at the July 14/15, 2016, Commission meeting. Lastly, it was discussed at a stakeholder meeting on April 9, 2016.

This process provided small businesses opportunities in the development of the new rule.

~~~~~

**1. Description of the reporting, record keeping and other compliance requirements of the proposed rule.**

Businesses will need a:

- Distributor’s license if they buy or lease a group 12 amusement game from another licensee and sell or lease the group 12 amusement game to a Class B or above amusement game licensee; or
- Class B or above amusement game license if they:
  - Own and operate group 1 through 12 amusement games at their licensed premises; and
  - Lease or buy group 12 amusement games from a licensed manufacturer or distributor and lease or rent them to a Class A amusement game licensee; and
  - Lease or rent group 1 through 11 amusement games to Class A amusement game licensees.

Manufacturers, distributors and operators of Group 12 amusement games are already required to be licensed. This rules package just clarifies the type of license required depending upon who the group 12 amusement game is bought or leased from and sold or leased to.

**2. Kinds of professional services that a small business is likely to need in order to comply.**

No professional services are needed to comply with this rule because manufacturers, distributors and operators of Group 12 amusement games are already required to be licensed. This rules package just clarifies the type of license required depending upon who the group 12 amusement game is bought or leased from and sold or leased to.

Additionally, Commission staff are available to answer any licensure questions and help businesses determine what license they need under this rule.

**3. The actual costs to small businesses of compliance, including costs of equipment, supplies, labor and increased administrative costs.**

There should not be any additional costs to small businesses. Manufacturers, distributors and operators of Group 12 amusement games are already required to be licensed. This rules package just clarifies the type of license required depending upon who the group 12 amusement game is bought or leased from and sold or leased to.

If a manufacturer, distributor, or amusement game licensee holds a current license but requires a different type of license because of these proposed rules, they will not be required to apply for the other license type. If there is a cost difference between the types of licenses a business currently holds and the license they are required to have based on this rule change, the business would get a refund or have to pay the difference for the remainder of their license year.

For example, if a class B distributor needed a class B amusement game license because of who they bought or leased the group 12 amusement games from and sold or leased them to, they would get a refund of \$910 prorated based on the number of months remaining in their license year. If a class B amusement game licensee needed a class B distributor license, they would need to pay \$910 prorated based on the number of months remaining in their license year.

Stakeholders did not indicate at the two Study Sessions, two Commission meetings and stakeholder meeting any additional costs.

**4. Whether compliance with the rule, based on feedback received from licensees, will cause businesses to lose sales or revenue.**

This rule should not cause a small business to lose sales or revenue. Stakeholders have not indicated at the two Study Sessions, two Commission meetings and stakeholder meeting that this rule would cause them to lose sales or revenue

**5. A determination of whether the proposed rule will have a disproportionate impact on small businesses.**

This rule should not have a disproportionate impact on small businesses. Manufacturers, distributors and operators of Group 12 amusement games are already required to be licensed. This rules package just clarifies the type of license required depending upon who the group 12 amusement game is bought or leased from and sold or leased to.

**6. Steps taken by the agency to reduce the costs of the rule on small businesses or reasonable justification for not doing so. Agencies “must consider, without limitation, each of the following methods of reducing the impact of the proposed rule on small businesses:”**

**a. Reducing, modifying, or eliminating substantive regulatory requirements;**

Manufacturers, distributors and operators of Group 12 amusement games are already required to be licensed. This rules package just clarifies the type of license required depending upon who the group 12 amusement game is bought or leased from and sold or leased to. Without this rule change, some businesses might be required to hold a more costly license or hold two licenses, which would also be more costly.

**b. Simplifying, reducing, or eliminating recordkeeping and reporting requirements;**

This rule change does not require any additional recordkeeping or reporting requirements.

**c. Reducing the frequency of inspections;**

This rule will not require additional inspections.

**d. Delaying compliance timetables;**

Delaying compliance is unnecessary because this rule clarifies the type of license required under the rule. Immediate implementation of this rule provides clarity and possibly saves some small businesses money by ensuring they obtain the correct license.

**e. Reducing or modifying fine schedules for noncompliance; or**

There is no fine schedule related to this rule. Any finding of noncompliance with this rule would be handled like all other amusement game violations, which is a progressive enforcement model that includes verbal warnings, written warnings, fines, suspension, and revocation. Our goal is to seek voluntary compliance with our licensees through education and training.

**f. Any other mitigation techniques including those suggested by small businesses or small business advocates.**

Small business stakeholders have not requested or suggested any mitigation techniques for the implementation of this rule change. Stakeholders have been

told at Study Sessions and the stakeholder meetings to contact us with any comments on the proposed rule changes. No comments have been received from stakeholders on this rule change.

**7. A description of how the Gambling Commission will involve small businesses in the development of the rule.**

In December 2015, we sent notices of rulemaking to all amusement game licensees regarding rules for group 12 amusement games.

Original rules changes to WAC 230-03-185, 230-03-190, and 230-06-110 to address group 12 amusement games were discussed at the Study Session, open to the general public, and the Commission Meetings, through discussion and public testimony, on January 14, 2016, February 11, 2016 meeting, and March 11, 2016.

On March 11, 2016, the Commissioners approved the original rule changes to these three rules to incorporate group 12 amusement games, an Small Business Economic Impact Statement was prepared for this original rule change. Staff realized upon passage of the rule change that the rules would have required Class B and above amusement game licensees who would like to own and/or lease group 12 amusement games to have a distributor's license in addition to, or in place of, the license they currently have. This was not the intent of the original rule change.

This rules package was prepare to provide clarity of the type of license required, manufacturer, distributor or Class B or above amusement game license, based on who the licensee was selling or leasing the group 12 amusement game to.

On March 25, 2016, we posted in the special section of our website for group 12 amusement game information that we would be holding a stakeholder meeting to discuss all group 12 amusement game rules pending on April 9, 2016, which included this new rules package.

On April 9, 2016, we held a stakeholder meeting to discuss all group 12 amusement game rules, which included all rules in this package and this specific rule.

At least one week prior to the April 14, 2016, Commission meeting, we posted this rules package on our website, which included this specific rule.

At the April 14, 2016, Commission meeting, this rules package was discussed at the Study Session and Commission meeting. On April 15, 2016, we posted in the special section of our website for group 12 amusement games a summary of the rules discussed and action taken by the Commissioners at the April Commission meeting.

At least one week prior to the May 12, 2016, Commission meeting, we posted this rules package on our website, which included this specific rule.

At the May 12, 2016, Study Session, stakeholders were asked what costs they would incur if the rule proposal went into effect. Stakeholders provided feedback as indicated below.

**8. A list of industries that will be required to comply with the rule.**

7132. *(Leave this number here)*

**9. An estimate of the number of jobs that will be created or lost as the result of compliance with the proposed rule.**

There is no evidence that any jobs will be created or lost as a result of this rule change. Manufacturers, distributors, and operators of group 12 amusement games are already required to be licensed by rule. Stakeholders have not indicated any jobs would be created or lost as a result of compliance with this proposed rule change from the two Study Sessions and a stakeholder meetings in which this rules package was discussed.



**Amend**

WAC 230-15-080 Authorized fees and authorized methods of collection.  
 WAC 230-15-135 Wagering limits for nonhouse-banked card games.

- July 2016 – Further Discussion**
- June 2016 – No Meeting**
- May 2016 – Up for Discussion and Possible Filing**
- April 2016 – Study Session**

|   |
|---|
| TAB 5: July 2016 Commission Meeting Agenda.      Statutory Authority 9.46.070, RCW 9.46.0282  |
| Who Proposed the Rule Change?   |
| Teresa Malphrus, owner of The Hideaway Restaurant and Casino, a 7 table Class F cardroom  |
| Describe the Proposed Change / Background   |
| <p><b><u>Bold/Underline = Changes made after the May 2016 Commission Meeting.</u></b></p> <p>Teresa Malphrus is requesting the following rule changes:</p> <ul style="list-style-type: none"> <li>• Increase the maximum amount of a single wager on any authorized poker game, not just Texas Hold ‘Em, from \$40 to \$100 at Class F and house-banked cardrooms; and</li> <li>• Allow Class F and house-banked cardrooms to assess players of nonhouse-banked card games a rake fee of up to 10% of the pot with no limit. Currently, the rake cannot be more than \$5 per hand or 10% of the total wagers for a hand, whichever is less.</li> </ul> <p>Ms. Malphrus explained the reasons she is seeking these rule changes:</p> <ul style="list-style-type: none"> <li>• “In November of this year, the voters in the state of Washington will be voting on one of 3 initiatives that would raise the minimum wage in each of the next four years, with a starting date effective January, 2017. In addition, in January of 2018, we will be required to provide paid sick leave at the rate of 1 hour for every 40 hours worked. Should this initiative pass, this will create additional financial challenges to the cardrooms [and] possibly to the WSGC that regulates our activities.</li> <li>• As a Class F Cardroom Owner I am anticipating a passage of the initiative and am making some proposed changes that may help in generating additional revenue for the cardrooms.”</li> </ul> <p>A Small Business Economic Impact Statement was not prepared. <b><u>These rule changes would allow for higher betting limits and would benefit businesses. The rule change would not impose additional costs to licensees.</u></b></p> <p>Attachments:</p> <ul style="list-style-type: none"> <li>• Petition for rule changes from Teresa Malphrus in a letter dated April 10, 2016.</li> <li>• May 4, 2016, email from Teresa Malphrus regarding changes to her original petition.</li> <li>• <b><u>Notice of rule-making sent to all card game licensees</u></b></li> </ul> |
| Licensees Impacted  |
| The proposed rule changes would impact three Class F card rooms and those house-banked card room licensees that offer nonhouse-banked card games. As of April 29, 2016, there were 50 licensed and operating house-banked card rooms.   |
| Policy Considerations   |
| None.   |
| Statements Supporting   |
| <b><u>Stakeholder comments attached.</u></b>  |

|   |
|---|
| Staff Recommendation                    |
| Further discussion.                     |
| Proposed Effective Date for Rule Change |
| 31 days from filing.                    |

**Amended Section**

**WAC 230-15-080 Authorized fees and authorized methods of collection.**

Card game licensees must collect only one type of card game fee at a table at any given time.

The following are authorized types of fees, the card game licensees who may use those fee types, and the methods of collection:

| Authorized types of fees   | Licensees authorized to use the fee types | Authorized methods of collection  | Maximum amount to collect   |
|--|---|---|---|
| <p>(1) <b>Period of time -</b></p> <p>(a) Licensees must collect the fee at least once per hour at times the licensee chooses, for example, at thirty minute increments; and</p> <p>(b) Licensees must record all fees immediately after collection; or</p>  | <p>Class A, B, C, E, F</p>                | <p>Direct collection;<br/>or<br/>Chip rack - Only allowed if licensed for three or fewer tables;<br/>or<br/>Drop box.</p> | <p>Not more than ten dollars per hour, per player.</p>  |
| <p>(2) <b>Per hand played -</b></p> <p>(a) Players must place fees charged on a per-hand basis in a designated area of the table and dealers must collect them before dealing the first round of cards; and</p> <p>(b) After collecting the fees, dealers must deposit all chips or coins in either the drop box or chip rack; or</p>  | <p>Class F and house-banked</p>           | <p>Drop box;<br/>or<br/>Chip rack - Only allowed if licensed for three or fewer tables.</p>                               | <p>Not more than one dollar per hand, per player.</p>   |
| <p>(3) <b>Rake -</b></p> <p>(a) Dealers must collect fees charged on the amounts wagered during the play of the hand and place the fees in a designated area of the table; and</p> <p>(b) Once dealers accumulate the maximum fee for a hand, they must spread the chips or coins to allow players and the surveillance system to view the amount collected. After spreading the chips or coins, the dealer deposits them in either the drop box or chip rack.</p> | <p>Class F and house-banked</p>           | <p>Drop box;<br/>or<br/>Chip rack - Only allowed if licensed for three or fewer tables.</p>                               | <p>Not more than <del>five dollars per hand or</del> <b>five</b> ten percent of the total wagers for a hand, <del>whichever is less.</del> <b>less.</b></p> |

[Statutory Authority: RCW [9.46.070](#). WSR 07-09-033 (Order 608), § 230-15-080, filed 4/10/07, effective 1/1/08.]

## Amended Section

### WAC 230-15-135 Wagering limits for nonhouse-banked card games.

Card room licensees must not exceed these wagering limits:

(1) **Poker** -

(a) There must be no more than five betting rounds in any one game; and

(b) There must be no more than four wagers in any betting round, for example, the initial wager plus three raises; and

(c) The maximum amount of a single wager must not exceed:

(i) One hundred dollars for class F and house-banked card game licensees and

(ii) Forty dollars for all other; however, class F and house-banked card game licensees may offer a single wager not to exceed one hundred dollars for the game of Texas Hold'em;

(2) **Games based on achieving a specific number of points** - Each point must not exceed five cents in value;

(3) **Ante** - No more than the maximum wager allowed for the first betting round for any game, except for Panguingue (Pan). The ante may, by house rule:

(a) Be made by one or more players, but the total ante may not exceed the maximum wager allowed for the first betting round; and

(b) Be used as part of a player's wager;

(4) **Panguingue (Pan)** - The maximum value of a chip must not exceed ten dollars. An ante must not exceed one chip. We prohibit doubling of conditions. Players going out may collect no more than two additional chips for going out from each participating player.

**From:** [Teresa Malphrus](#)  
**To:** [Newer, Susan \(GMB\)](#)  
**Subject:** WAC rule changes  
**Date:** Monday, April 11, 2016 8:07:38 PM  
**Attachments:** [hideaway\\_proposal.pdf](#)

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Susan,

I've enclosed my letter and the two WAC rules with changes.

Please look it over and let me know if I should make changes or what more is needed.

Thanks again for your help.

Teresa Malphrus

The Hideaway



April 10, 2016

Ms. Susan Newer  
C/O WSGC  
4565 7<sup>th</sup> Ave. S.E.  
P.O. Box 42400  
Olympia, WA 98504-2400

Ms. Newer,

Thank you for guiding me through the process leading up to this letter proposing two WAC rule changes.

In November of this year, the voters in the state of Washington will be voting on one of 3 initiatives that would raise the minimum wage in each of the next four years, with a starting date effective January, 2017. In addition, in January of 2018, we will be required to provide paid sick leave at the rate of 1 hour for every 40 hours worked.

Should this initiative pass, this will create additional financial challenges to the cardrooms and possibly to the WSGC that regulates our activities.

As of the end of 2014, by your own online reporting, fourteen of the 49 remaining larger cardrooms were operating in the red, with several very close behind.

As a Class F Cardroom Owner I am anticipating a passage of the initiative and am making some proposed changes that may help in generating additional revenue for the cardrooms.

Both these changes have precedent.

WAC 230-15-135 (1c)

Wagering limits for nonhouse-banked card games.

The Game of Texas Holdem (a nonhouse-banked card game), currently has a maximum wager of one hundred dollars.

I am asking that all nonhouse-banked card games have a maximum wager of one hundred dollars.

My understanding is that the one hundred dollar limit in Texas Holdem has not resulted in any issues with the WSGC.

WAC 230-15-80 (3)

Authorized fees and authorized methods of collection.

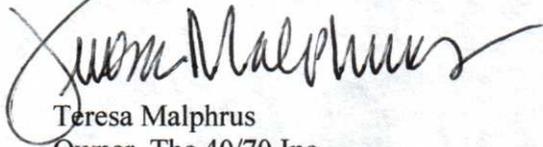
I am asking that the rake collection (house money) limit of ten percent of the pot up to five dollars be changed to ten percent of the pot with no regulation on limits.

The Player Supported Jackpot (PSJ) has already had all limit regulations removed. My understanding is that there has been no issue with the removal of those regulations with the WSGA. The rake, like the PSJ, will be regulated by what the players will be willing to accept while playing poker, i.e. what the market will bear.

I understand that the rake and the PSJ that each room chooses to take must be clearly communicated to the players. That would not change.

I appreciate consideration by the WSGC regarding the passage of these changes to existing WAC Regulations.

Regards,

A handwritten signature in black ink, appearing to read "Teresa Malphrus". The signature is fluid and cursive, with a large initial "T" and "M".

Teresa Malphrus  
Owner, The 40/70 Inc.  
Dbas/ The Hideaway Restaurant and Casino

Cc./ WSGC file

**WAC 230-15-135**

**Wagering limits for nonhouse-banked card games.**

Card room licensees must not exceed these wagering limits:

**(1) Poker -**

- (a) There must be no more than five betting rounds in any one game; and
- (b) There must be no more than four wagers in any betting round, for example, the initial wager plus three raises; and
- (c) ~~The maximum amount of a single wager must not exceed forty dollars; however,~~ Class F and house-banked card game licensees may offer a single wager not to exceed one hundred dollars. ~~for the game of Texas Hold'em;~~

**(2) Games based on achieving a specific number of points -** Each point must not exceed five cents in value;

**(3) Ante -** No more than the maximum wager allowed for the first betting round for any game, except for Panguingue (Pan). The ante may, by house rule:

- (a) Be made by one or more players, but the total ante may not exceed the maximum wager allowed for the first betting round; and
- (b) Be used as part of a player's wager;

**(4) Panguingue (Pan) -** The maximum value of a chip must not exceed ten dollars. An ante must not exceed one chip. We prohibit doubling of conditions. Players going out may collect no more than two additional chips for going out from each participating player.

| Authorized types of fees   | Licensees authorized to use the fee types | Authorized methods of collection   | Maximum amount to collect  |
|--|---|--|--|
| <p>(1) <b>Period of time -</b></p> <p>(a) Licensees must collect the fee at least once per hour at times the licensee chooses, for example, at thirty minute increments; and</p> <p>(b) Licensees must record all fees immediately after collection; or</p>  | Class A, B, C, E, F                       | Direct collection; or<br>Chip rack - Only allowed if licensed for three or fewer tables; or<br>Drop box. | Not more than ten dollars per hour, per player.  |
| <p>(2) <b>Per hand played -</b></p> <p>(a) Players must place fees charged on a per-hand basis in a designated area of the table and dealers must collect them before dealing the first round of cards; and</p> <p>(b) After collecting the fees, dealers must deposit all chips or coins in either the drop box or chip rack; or</p>  | Class F and house-banked                  | Drop box; or<br>Chip rack - Only allowed if licensed for three or fewer tables.                          | Not more than one dollar per hand, per player.   |
| <p>(3) <b>Rake -</b></p> <p>(a) Dealers must collect fees charged on the amounts wagered during the play of the hand and place the fees in a designated area of the table; and</p> <p>(b) Once dealers accumulate the maximum fee for a hand, they must spread the chips or coins to allow players and the surveillance system to view the amount collected. After spreading the chips or coins, the dealer deposits them in either the drop box or chip rack.</p> | Class F and house-banked                  | Drop box; or<br>Chip rack - Only allowed if licensed for three or fewer tables.                          | Not more than five dollars per hand or ten percent of the total wagers for a hand., whichever is less. |

**From:** [Teresa Malphrus](#)  
**To:** [Griffin, Tina \(GMB\)](#)  
**Subject:** Re: FW: WAC rule changes  
**Date:** Wednesday, May 04, 2016 1:21:15 PM

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Tina, the changes below are acceptable to complete the two proposals I've put for for consideration by the Gambling commission.  
Thank you for your help through this process.  
Teresa Malphrus

On May 4, 2016 1:02 PM, "Griffin, Tina (GMB)" <[tina.griffin@wsgc.wa.gov](mailto:tina.griffin@wsgc.wa.gov)> wrote:

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**From:** Griffin, Tina (GMB)  
**Sent:** Wednesday, May 04, 2016 10:00 AM  
**To:** '[teresa@hideawaycasino.com](mailto:teresa@hideawaycasino.com)' <[teresa@hideawaycasino.com](mailto:teresa@hideawaycasino.com)>  
**Cc:** Wittmers, Keith (GMB) <[keith.wittmers@wsgc.wa.gov](mailto:keith.wittmers@wsgc.wa.gov)>  
**Subject:** RE: WAC rule changes

Teresa,

In my haste to resolve the language in WAC 230-15-135(1), I forgot there are other license classes of cardrooms that rely on the \$40 single wagering limits. Would you be agreeable to the following language:

WAC 230-15-135(1)(c) "The maximum amount of a single wager must not exceed: (i) One hundred dollars for class F and house-banked card game licensees and (ii) Forty dollars for all other card game licensees;"

Thank you for your consideration,

*Tina Griffin*

*Assistant Director*

*Licensing, Regulation, and Enforcement Division*

*Washington State Gambling Commission*

[360-486-3546](tel:360-486-3546)

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**From:** Griffin, Tina (GMB)  
**Sent:** Tuesday, May 03, 2016 10:12 PM  
**To:** '[teresa@hideawaycasino.com](mailto:teresa@hideawaycasino.com)' <[teresa@hideawaycasino.com](mailto:teresa@hideawaycasino.com)>  
**Cc:** Wittmers, Keith (GMB) <[keith.wittmers@wsgc.wa.gov](mailto:keith.wittmers@wsgc.wa.gov)>  
**Subject:** FW: WAC rule changes  
**Importance:** High

Hello Teresa,

Thank you for your letter. I understand from your letter that you are agreeable to leaving the word “than” in WAC 230-15-080(3). Unfortunately, your letter includes an “or”. Are you agreeable to the following for WAC 230-15-080(3), “Not more than ten percent of the total wagers for a hand”?

Lastly, your requested changes to WAC 230-15-135(1)(c), to strike the phrase, “The maximum amount of a single wager must not exceed forty dollars”, eliminates the wagering limits for the eight licensed and operating card rooms in Washington. In doing so, you would be inadvertently causing them to no longer offer nonhouse-banked card games. I do not think this is your intent. It is my understanding from your letter you are asking the Commissioners to allow single maximum wagers of \$100 for nonhouse-banked card games offered by Class F and house-banked card rooms.

In order to continue to allow the eight Class E card rooms to continue to be operational and still meet your request, would you be agreeable to the following language changes to WAC 230-15-135(1)(c) “The maximum amount of a single wager must not exceed: (i) Forty dollars for class E card game licensees; and (ii) One hundred dollars for class F and house-banked card game licensees”?

If you are agreeable to these two changes to the rule language you submitted, please let me know as soon as possible. An email reply is preferable. If you have any questions, please feel free to contact me at [360-507-3456](tel:360-507-3456) (cell) or [360-486-3546](tel:360-486-3546) (office).

Sincerely,

*Tina Griffin*

*Assistant Director*

*Licensing, Regulation, and Enforcement Division*

*Washington State Gambling Commission*

[360-486-3546](tel:360-486-3546)

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**From:** Wittmers, Keith (GMB)  
**Sent:** Tuesday, May 03, 2016 2:42 PM  
**To:** Griffin, Tina (GMB) <[tina.griffin@wsgc.wa.gov](mailto:tina.griffin@wsgc.wa.gov)>  
**Subject:** F. wd: WAC rule changes

FYI

Sent from my iPhone

Begin forwarded message:

**From:** Teresa Malphrus <[teresa@hideawaycasino.com](mailto:teresa@hideawaycasino.com)>  
**Date:** May 3, 2016 at 2:14:52 PM PDT  
**To:** <[TINA.GRIFFEN@WSGC.WA.GOV](mailto:TINA.GRIFFEN@WSGC.WA.GOV)>  
**Cc:** <[SUSAN.NEWER@WSGC.WA.GOV](mailto:SUSAN.NEWER@WSGC.WA.GOV)>, <[KEITH.WITTMERS@WSGC.WA.GOV](mailto:KEITH.WITTMERS@WSGC.WA.GOV)>  
**Subject:** WAC rule changes

Tina, Please see changes requested regarding my two proposals currently under review by staff.

Thank You

Teresa Malphrus

The Hideaway



STATE OF WASHINGTON  
GAMBLING COMMISSION

PO Box 42400 Olympia WA 98504-2400 (360) 486-3440 TDD (360) 486-3637 FAX (360) 486-3626

**NOTICE OF RULE MAKING**

May 9, 2016

Dear Card Game Licensee:

The Washington State Gambling Commission has received three petitions for rulemaking that will be up for discussion and possible filing at the May 12, 2016, Commission Meeting. The proposed rules address such things as hours of operation, gambling promotions, authorized fees and methods of collection, and nonhouse-banked card game wagering limits.

The proposed rules submitted by the petitioners can be found on our website at <http://www.wsgc.wa.gov/> under Public Meetings then May 2016. If you do not have access to the internet, you can obtain a copy of the proposed rule changes by contacting Hollee Arrona at (360) 486-3555.

These rules will be discussed at the May 2016 Study Session and Commission meeting, which will be held at the Red Lion Hotel at 2525 N. 20<sup>th</sup> Avenue in Pasco. You can participate in the meeting via phone. Please refer to our website, under Public Meetings to verify the agenda, meeting start times and instructions for participating via phone.

If the Commissioners file the petitions for further discussion, these rules will be discussed during at least two more Study Sessions and one more Commission Meeting. Refer to our website under Public Meetings at least two weeks prior to the meeting to verify meeting dates, times and agenda items.

We encourage you to comment on the proposed rules packages by attending an upcoming commission meeting or by sending us your comments. Lastly, if any of the proposed rule changes would cause a financial impact to your business, please let us know. All comments can be send to:

By email: [Holley.Arrona@wsgc.wa.gov](mailto:Holley.Arrona@wsgc.wa.gov); or

By mail: WSGC  
Attn: Hollee Arrona  
P.O. Box 42400  
Olympia, WA 98504

If you have any questions, please feel free to contact me at [Tina.Griffin@wsgc.wa.gov](mailto:Tina.Griffin@wsgc.wa.gov) or at (360) 486-3546.

Sincerely,

A handwritten signature in black ink, appearing to read "Tina Griffin".

Tina Griffin  
Assistant Director



**From:** [Accounting](#)  
**To:** [Newer, Susan \(GMB\)](#)  
**Subject:** Rule Changes  
**Date:** Wednesday, June 15, 2016 2:40:27 PM

---

Attention WSGC,

To whom it may concern

Please find below a list of potential rule changes that I support. I believe all of the following to be a positive change to assist Poker to not only remain strong but to grow and help support the now smaller number of casinos in Washington State.

1. Hours of Operation – would allow for 24-7 operations
2. Promotions – enhances opportunities for operating promotions
3. Poker wager limits – raises the poker limit to \$100 on all games and \$300 for poker games that also operate house banked games
4. Allows the rake at 10% removing the \$5 limit and allows for \$100 wager on all games, not just Texas Hold'em

Thank You,

Dan Baker  
Controller  
Black Pearl Spokane

**From:** [Newer, Susan \(GMB\)](#)  
**To:** [Griffin, Tina \(GMB\)](#); [Hunter, Amy \(GMB\)](#)  
**Subject:** FW: Rule Changes for Card rooms - Public Comment  
**Date:** Wednesday, June 15, 2016 4:47:30 PM

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FYI – This came in today from Susan’s email.

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**From:** Mark and Patricia Greene [mailto:maloa@hotmail.com]  
**Sent:** Wednesday, June 15, 2016 3:29 PM  
**To:** Newer, Susan (GMB) <susan.newer@wsgc.wa.gov>  
**Cc:** Lance Rinard <lancerin@aol.com>; Dolores (RGA) <DChiechi@rga-wa.org>  
**Subject:** Rule Changes for Card rooms

Dear Susan,

As owner of Lancer Lanes and Casino I would like to let you know that I'm in favor of all the rule changes to do with 24 hours open, Poker limits and rake, and enhanced opportunities for promotions. Please go ahead and adopt the new rules for these items.

Thank you,

Mark Greene

**From:** [Newer, Susan \(GMB\)](#)  
**To:** [Griffin, Tina \(GMB\)](#); [Hunter, Amy \(GMB\)](#)  
**Subject:** FW: Rule Changes - Public Comment  
**Date:** Wednesday, June 15, 2016 4:50:43 PM

---

[Another to add](#)

---

**From:** Ian Riley [mailto:ianriley@blackpearlspokane.com]  
**Sent:** Wednesday, June 15, 2016 2:04 PM  
**To:** Newer, Susan (GMB) <susan.newer@wsgc.wa.gov>  
**Cc:** Dolores Chiechi <DChiechi@rga-wa.org>  
**Subject:** Rule Changes

Attention WSGC

To whom it may concern

Please find below a list of potential rule changes that I support. I believe all of the following to be a positive change to assist Poker to not only remain strong but to grow and help support the now smaller number of casinos in Washington State.

1. [Hours of Operation – would allow for 24-7 operations](#)
2. [Promotions – enhances opportunities for operating promotions](#)
3. [Poker wager limits – raises the poker limit to \\$100 on all games and \\$300 for poker games that also operate house banked games](#)
4. [Allows the rake at 10% removing the \\$5 limit and allows for \\$100 wager on all games, not just Texas Hold'em](#)

Thank you,  
Regards,  
Ian Riley

**From:** [Newer, Susan \(GMB\)](#)  
**To:** [Griffin, Tina \(GMB\)](#)  
**Subject:** FW: Proposed Rule Changes - Public Comment  
**Date:** Thursday, June 16, 2016 10:48:40 AM

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**From:** Josh Herschlip [mailto:josh\_herschlip@msn.com]  
**Sent:** Thursday, June 16, 2016 12:31 AM  
**To:** Newer, Susan (GMB) <susan.newer@wsgc.wa.gov>  
**Cc:** Dolores Chiechi <dchiechi@rga-wa.org>  
**Subject:** Proposed Rule Changes

My name is Josh Herschlip, I am the Regional Manager for the Buzz Inn Steakhouse Corporation, This includes representation of the Buzz Inn Steakhouse and Casino located in East Wenatchee. We also previously owned and operated Ace's Casino which was located in Arlington, WA. I'm contacting you regarding potential rule changes. The reason I mention the previous location is these rule changes could have been potential difference makers in our survival. Aces was located within 10 miles of three tribal casinos (Tulalip, Quil Ceda and Angel of the Winds)

\*We support the change in the hours of operation. The forcing of closure to our establishments when a potential of business exists and is accessible throughout the state with no limitations creates an unfair advantage as well as limits customer base with staggered schedules. Many occupations include swing shift/ grave yard shifts the forced closure drives that potential business elsewhere.

\*We support the changes in promotion allowances. These restrictions put a damper on our creativity and the possibilities of great promotions to entertain our guests. These promotions are how we create excitement about our businesses and generate new business! People like spinning wheels and the excitement of the possibility.

\*We support the increased poker wagers. Increasing this wager not only helps level the playing field that exists in our state but makes it less of a conversation to our guests as what the difference of playing poker at a tribal casino and our card rooms. It also allows greater flexibility to games being spread. I believe most people agree poker is a game of skill and proper wagering is an important part of the game and allows players to better protect their investment or wager by betting accordingly to pot size. The greater the spread the better the game. That being said all games approved to be spread or played should allow for the same wager to alleviate confusion to our staffs, agents and guests.

\*We support the change in rake structure. Allowing our operations to rake up to 10% of the pot allows for the rooms to absorb portions of the costs that have been added to our day to day operation.(Health Care, Minimum Wage Increase, Restrictive Scheduling, Sick Leave, Salary Structure as well as rising product cost) These are obviously much greater costs than increased rake can fix but it's a step in the right direction for those who offer poker. We are an industry in great need of finding a balance for gaming in our state we need new revenue to just survive, while the current rules allow the same industry to thrive with a few major adjustments to the rules.

Please support these changes and help the R.G.A. balance out gaming in our state!

Thank You For Your Time.  
Josh Herschlip

**From:** [Newer, Susan \(GMB\)](#)  
**To:** [Griffin, Tina \(GMB\)](#)  
**Subject:** FW: Call to action reply - Public Comment  
**Date:** Thursday, June 16, 2016 10:54:32 AM

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FYI

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**From:** B.J. Garbe [mailto:bj@lakebowl.com]  
**Sent:** Thursday, June 16, 2016 10:17 AM  
**To:** Newer, Susan (GMB) <susan.newer@wsgc.wa.gov>  
**Subject:** Call to action reply

Hello Susan,

As part of the Call To Action email, I would like to let you know that Lake Bowl/Papa's Sports Lounge and Casino is in favor of all rule changes.

Thanks,

B.J. Garbe, CEO  
Lake Bowl Inc.

**From:** [Newer, Susan \(GMB\)](#)  
**To:** [Griffin, Tina \(GMB\)](#)  
**Subject:** FW: petitions  
**Date:** Monday, June 27, 2016 2:10:31 PM

---

**From:** George Teeny [mailto:gteeny@thephoenixcasino.com]  
**Sent:** Monday, June 27, 2016 1:47 PM  
**To:** Newer, Susan (GMB) <susan.newer@wsgc.wa.gov>  
**Cc:** dolores@rga-wa.org; Jo England <jengland@thephoenixcasino.com>  
**Subject:** petitions

Afternoon Commissioners

This email is to notify you that my club, The Phoenix Casino, supports the petitions that have been submitted to you by private parties and the RGA.

WAC rules to be modified and petitions to follow:

- 1) 230-15-025 ---- Hours of Operation
- 2) 230-06-030 ---- Restrictions and Conditions – Gambling Promotions
- 3) 230-06-031 ---- Promotional Contests of Chance
- 4) 230-15-080 ---- Authorized Fees and Authorized Methods of Collection
- 5) 230-15-135 ---- Wagering Limits for Nonhouse-Banked Card Games

These petitions, all or in part, will help the gaming industry as a whole.

However, with that being said, none of these petitions are the “golden ticket” for the commercial clubs to grow and prosper in the years ahead. The only thing that might have that affect will be some form of electronic (gaming) pull tab machines.

thank you for your time and consideration,  
sincerely,  
george teeny



**Amend**

WAC 230-15-135 Wagering limits for nonhouse-banked card games.

- July 2016 – Further Discussion**
- June 2016 – No Meeting**
- May 2016 – Up for Discussion and Possible Filing**
- April 2016 – Study Session**

|  |
|--|
| Tab 6: July 2016 Commission Meeting Agenda. Statutory Authority 9.46.070, RCW 9.46.0282  |
| <b>Who Proposed the Rule Change?</b>   |
| George Teeny, owner of the Last Frontier and New Phoenix, house-banked card rooms that may offer house-banked and nonhouse-banked card games   |
| <b>Describe the Proposed Change / Background</b>   |
| <b><u>Bold/Underline = Changes made after the May 2016 Commission meeting.</u></b>   |
| Mr. Teeny is requesting increased wagering limits for non-house-banked card games, such as poker. Specifically, the proposed change would: <ul style="list-style-type: none"> <li>• Increase the maximum amount of a single wager on any authorized poker game, not just Texas Hold ‘Em, from \$40 to \$100 at a Class F card rooms; and</li> <li>• Increase the maximum amount of a single wager on any authorized poker game, not just Texas Hold ‘Em, played at house-banked card room licensees to \$300, the same limits as those for house-banked card games.</li> </ul> |
| A Small Business Economic Impact Statement was not prepared. <b><u>These rule changes would allow for higher betting limits and would benefit businesses. The rule change would not impose additional costs to licensees.</u></b>  |
| Attachments: <ul style="list-style-type: none"> <li>• April 12, 2016, email from Dolores Chiechi on behalf of George Teeny requesting a rule change to WAC 230-15-135.</li> <li>• May 3, 2016, email from Dolores Chiechi on behalf of George Teeny revising the original rule petition language to WAC 230-15-135.</li> <li>• <b><u>Notice of rule-making sent to all card game licensees</u></b></li> </ul>  |
| <b>Licensees Impacted</b>  |
| The proposed change would impact three Class F card rooms and those house-banked card room licensees that offer nonhouse-banked card games. As of April 29, 2016, there were 50 licensed and operating house-banked card rooms.  |
| <b>Regulatory Impacts</b>  |
| The petitioner stated in their letter that house-banked card room licensees’ pay the same per table fee to the gaming commission no matter if they use the table for a house-banked or nonhouse-banked table game. The same level of staffing and regulations/guidelines are required of the Class HB licensees if they are offering non-house banked games.   |
| <b>Policy Consideration</b>  |
| <ul style="list-style-type: none"> <li>• The amount of money on the table (pot) will increase significantly.</li> <li>• A wager in poker would now be the same as a house-banked card game wager.</li> </ul>   |
| <b>Statements supporting and opposing</b>  |
| <b><u>See attached emails from stakeholders.</u></b>   |
| <b>Staff Recommendation</b>  |
| Further Discussion.  |

Proposed Effective Date for Rule Change

31 days from filing.

## Amended Section

### WAC 230-15-135 Wagering limits for nonhouse-banked card games.

Card room licensees must not exceed these wagering limits.

- 1) Poker-
  - a) There must be no more than five betting rounds in any one game; and There must be no more than four wagers in any betting round, for example, the initial
  - b) wager plus three raises; and
  - c) The maximum amount of a single wager must not exceed forty dollars; however, class F may offer a maximum single wager not to exceed one hundred dollars and house-banked card game licensees may offer a single wager not to exceed ~~one hundred dollars for the game of Texas Hold'em~~ three-hundred dollars;
- 2) Games based on achieving a specific number of points- Each point must not exceed five cents in value;
- 3) Ante- No more than the maximum wager allowed for the first betting round for any game, except for Panguingue (Pan). The ante may, by house rule:
  - a) Be made by one or more players, but the total ante may not exceed the maximum wager allowed for the first betting round; and
  - b) Be used as part of a player's wager;
- 4) Panguingue (Pan)- The maximum value of a chip must not exceed ten dollars. An ante must not exceed one chip. We prohibit doubling of conditions. Players going out may collect no more than two additional chips for going out from each participating player.

**From:** [Newer, Susan \(GMB\)](#)  
**To:** [Griffin, Tina \(GMB\)](#); [Trujillo, Dave \(GMB\)](#); [Hunter, Amy \(GMB\)](#)  
**Cc:** [Rancour, Michelle \(GMB\)](#); [Wittmers, Keith \(GMB\)](#); [Stueckle, Joshua \(GMB\)](#)  
**Subject:** New Petition from George Teeny  
**Date:** Tuesday, April 12, 2016 11:33:24 AM  
**Attachments:** [GT Wager Limits.docx](#)

---

Attached is a new petition for rule change submitted by George Teeny, via RGA. I will file a CR 101. I will let Mr. Teeny know we have received his petition.

---

**From:** Dolores Chiechi [mailto:DChiechi@rga-wa.org]  
**Sent:** Tuesday, April 12, 2016 10:20 AM  
**To:** Newer, Susan (GMB) <susan.newer@wsgc.wa.gov>  
**Cc:** 'George Teeny' <gteeny@thephoenixcasino.com>  
**Subject:** FW: Document1

Susan,  
I am forwarding the attached rule change request on behalf of George Teeny, petitioner.

We understand the timing is such that it will appear on the May study session agenda, with filing up at the July meeting, since there is no meeting scheduled in June.

Thank you for your attention.

*Dolores A Chiechi*  
*Executive Director*  
*Recreational Gaming Association*  
*PO Box 1787*  
*Olympia, WA 98507-1787*  
*360-352-0514 office*  
[WWW.RGA-WA.ORG](http://WWW.RGA-WA.ORG)

**UNITED WE STAND - DIVIDED WE FOLD**

---

**From:** George Teeny [mailto:gteeny@thephoenixcasino.com]  
**Sent:** Wednesday, April 06, 2016 3:55 PM  
**To:** [dolores@rga-wa.org](mailto:dolores@rga-wa.org)  
**Subject:** FW: Document1

Good Afternoon Susan

I am submitting this rule change to be added to the agenda for the WSGC May meeting in Pasco, Washington.

Reason for the rule change; if you are licensed as an Enhance Cardroom:

- 1) The licensees pay the same per table fee to the gaming commission no matter if they use the table for Blackjack (or any other house banked game) or poker;
- 2) the licensees have to have the same level of surveillance, security and management for any

game under the Enhanced Cardroom license;

- 3) the same regulations/guidelines are used for (e.g. "fills and credits", cash for chips, cash-out of chips, fiduciary accounts for players' funds, etc.) on all enhanced gaming tables (poker included);

Please let me know if there is anything else needed of me.

sincerely,

George Teeny

**WAC 230-15-135 Wagering limits for nonhouse-banked card games.**  
Card room licensees must not exceed these wagering limits.

- 1) Poker-
  - a) There must be no more than five betting rounds in any one game; and  
There must be no more than four wagers in any betting round, for example, the initial
  - b) wager plus three raises; and
  - c) The maximum amount of a single wager must not exceed ~~(forty)~~ one hundred dollars; however, ~~(class F and)~~ house-banked card game licensees may offer a single wager not to exceed ~~(one hundred dollars for the game of Texas Hold'em;)~~ the maximum allowable single wager limit in WAC 230-15-140
- 2) Games based on achieving a specific number of points- Each point must not exceed five cents in value;
- 3) Ante- No more than the maximum wager allowed for the first betting round for any game, except for Panguingue (Pan). The ante may, by house rule:
  - a) Be made by one or more players, but the total ante may not exceed the maximum wager allowed for the first betting round; and
  - b) Be used as part of a player's wager;
- 4) Panguingue (Pan)- The maximum value of a chip must not exceed ten dollars. An ante must not exceed one chip. We prohibit doubling of conditions. Players going out may collect no more than two additional chips for going out from each participating player.

**From:** [Dolores Chiechi](#)  
**To:** [Trujillo, Dave \(GMB\)](#)  
**Cc:** [Griffin, Tina \(GMB\)](#); "Jo England"; [Newer, Susan \(GMB\)](#); [Stueckle, Joshua \(GMB\)](#); [Wittmers, Keith \(GMB\)](#); [gteeny@thephoenixcasino.com](mailto:gteeny@thephoenixcasino.com)  
**Subject:** Revised wagering limit rule  
**Date:** Tuesday, May 03, 2016 12:53:16 PM  
**Attachments:** [GT Wager Limits rev.docx](#)

---

Greetings:

On behalf of George Teeny attached please find a revised draft for his petition for rule change relating to poker limits.

Please let us know if you need further information.

Thank you for your attention.

*Dolores A Chiechi*  
*Executive Director*  
*Recreational Gaming Association*  
*PO Box 1787*  
*Olympia, WA 98507-1787*  
*360-352-0514 office*  
[WWW.RGA-WA.ORG](http://WWW.RGA-WA.ORG)

**UNITED WE STAND - DIVIDED WE FOLD**

---

**From:** George Teeny [<mailto:gteeny@thephoenixcasino.com>]  
**Sent:** Thursday, April 28, 2016 8:48 AM  
**To:** [DChiechi@rga-wa.org](mailto:DChiechi@rga-wa.org)  
**Cc:** Jo England  
**Subject:** FW: wagering limit rule

FYI

---

**From:** Wittmers, Keith (GMB) [<mailto:keith.wittmers@wsgc.wa.gov>]  
**Sent:** Thursday, April 28, 2016 8:41 AM  
**To:** 'George Teeny'  
**Cc:** Newer, Susan (GMB)  
**Subject:** RE: wagering limit rule

George

Thanks for the clarification. This is how I wrote up the proposal for you.

Thanks KW

---

**From:** George Teeny [<mailto:gteeny@thephoenixcasino.com>]  
**Sent:** Thursday, April 28, 2016 8:33 AM  
**To:** Wittmers, Keith (GMB) <[keith.wittmers@wsgc.wa.gov](mailto:keith.wittmers@wsgc.wa.gov)>  
**Cc:** Newer, Susan (GMB) <[susan.newer@wsgc.wa.gov](mailto:susan.newer@wsgc.wa.gov)>  
**Subject:** RE: wagering limit rule

Good Morning

During our discussion yesterday (April 27<sup>th</sup>), Keith shared with me, that the way I had written my petition would open up all non-house banked poker rooms and the games that they offered, to a maximum single wager of \$100 and that was not my intent.

My intent was to allow "Class F" cardrooms, not only to have \$100 limits in the game of Hold'em, but to all poker games that they offer.

House-banked rooms would be able to offer limits (in all types of poker games offered) that match the maximum single allowable wager limit in **WAC 230-15-140**

All other non-house poker rooms (e.g. "Class E") would offer the maximum amount of a single wager not to exceed \$40 to all of the games that they offer.

So, in referencing the rewrite in --- **WAC-15-135**

**Wagering limits for nonhouse-banked card games.**

1) POKER

c) The maximum amount of a single wager must not exceed forty dollars; however, class F may offer a maximum single wager not to exceed one hundred dollars; and, house-banked cardroom licensees may offer a single wager not to exceed the maximum allowable single wager limit in **WAC 230-15-140**

Keith or Susan if need anything else, please let me know.

work phone: 360-573-6442 ext 321

e-mail address: [gteeny@thephoenixcasino.com](mailto:gteeny@thephoenixcasino.com)

gdt

---

**From:** Wittmers, Keith (GMB) [mailto:[keith.wittmers@wsgc.wa.gov](mailto:keith.wittmers@wsgc.wa.gov)]

**Sent:** Wednesday, April 27, 2016 4:33 PM

**To:** '[gteeny@thephoenixcasino.com](mailto:gteeny@thephoenixcasino.com)'

**Cc:** Newer, Susan (GMB)

**Subject:** wagering limit rule

George

Please send a clarification email regarding the rule change verbiage we discussed. Please send to Susan Newer and myself.

Thanks KW

**WAC 230-15-135 Wagering limits for nonhouse-banked card games.**  
Card room licensees must not exceed these wagering limits.

- 1) Poker-
  - a) There must be no more than five betting rounds in any one game; and  
There must be no more than four wagers in any betting round, for example, the initial
  - b) wager plus three raises; and
  - c) The maximum amount of a single wager must not exceed forty dollars; however, class F may offer a maximum single wager not to exceed one hundred dollars; and house-banked card game licensees may offer a single wager not to exceed ~~one hundred dollars for the game of Texas Hold'em~~; three-hundred dollars.
- 2) Games based on achieving a specific number of points- Each point must not exceed five cents in value;
- 3) Ante- No more than the maximum wager allowed for the first betting round for any game, except for Panguingue (Pan). The ante may, by house rule:
  - a) Be made by one or more players, but the total ante may not exceed the maximum wager allowed for the first betting round; and
  - b) Be used as part of a player's wager;
- 4) Panguingue (Pan)- The maximum value of a chip must not exceed ten dollars. An ante must not exceed one chip. We prohibit doubling of conditions. Players going out may collect no more than two additional chips for going out from each participating player.



STATE OF WASHINGTON  
GAMBLING COMMISSION

PO Box 42400 Olympia WA 98504-2400 (360) 486-3440 TDD (360) 486-3637 FAX (360) 486-3626

**NOTICE OF RULE MAKING**

May 9, 2016

Dear Card Game Licensee:

The Washington State Gambling Commission has received three petitions for rulemaking that will be up for discussion and possible filing at the May 12, 2016, Commission Meeting. The proposed rules address such things as hours of operation, gambling promotions, authorized fees and methods of collection, and nonhouse-banked card game wagering limits.

The proposed rules submitted by the petitioners can be found on our website at <http://www.wsgc.wa.gov/> under Public Meetings then May 2016. If you do not have access to the internet, you can obtain a copy of the proposed rule changes by contacting Hollee Arrona at (360) 486-3555.

These rules will be discussed at the May 2016 Study Session and Commission meeting, which will be held at the Red Lion Hotel at 2525 N. 20<sup>th</sup> Avenue in Pasco. You can participate in the meeting via phone. Please refer to our website, under Public Meetings to verify the agenda, meeting start times and instructions for participating via phone.

If the Commissioners file the petitions for further discussion, these rules will be discussed during at least two more Study Sessions and one more Commission Meeting. Refer to our website under Public Meetings at least two weeks prior to the meeting to verify meeting dates, times and agenda items.

We encourage you to comment on the proposed rules packages by attending an upcoming commission meeting or by sending us your comments. Lastly, if any of the proposed rule changes would cause a financial impact to your business, please let us know. All comments can be send to:

By email: [Holley.Arrona@wsgc.wa.gov](mailto:Holley.Arrona@wsgc.wa.gov); or

By mail: WSGC  
Attn: Hollee Arrona  
P.O. Box 42400  
Olympia, WA 98504

If you have any questions, please feel free to contact me at [Tina.Griffin@wsgc.wa.gov](mailto:Tina.Griffin@wsgc.wa.gov) or at (360) 486-3546.

Sincerely,

A handwritten signature in black ink, appearing to read "Tina Griffin".

Tina Griffin  
Assistant Director



**From:** [Newer, Susan \(GMB\)](#)  
**To:** [Griffin, Tina \(GMB\)](#)  
**Subject:** FW: Call to action reply - Public Comment  
**Date:** Thursday, June 16, 2016 10:54:32 AM

---

FYI

---

**From:** B.J. Garbe [mailto:bj@lakebowl.com]  
**Sent:** Thursday, June 16, 2016 10:17 AM  
**To:** Newer, Susan (GMB) <susan.newer@wsgc.wa.gov>  
**Subject:** Call to action reply

Hello Susan,

As part of the Call To Action email, I would like to let you know that Lake Bowl/Papa's Sports Lounge and Casino is in favor of all rule changes.

Thanks,

B.J. Garbe, CEO  
Lake Bowl Inc.

**From:** [Newer, Susan \(GMB\)](#)  
**To:** [Griffin, Tina \(GMB\)](#); [Hunter, Amy \(GMB\)](#)  
**Subject:** FW: Rule Changes - Public Comment  
**Date:** Wednesday, June 15, 2016 4:48:19 PM

---

FYI – From Susan’s email.

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**From:** Accounting [mailto:accounting@blackpearlspokane.com]  
**Sent:** Wednesday, June 15, 2016 2:39 PM  
**To:** Newer, Susan (GMB) <susan.newer@wsgc.wa.gov>  
**Subject:** Rule Changes

Attention WSGC,

To whom it may concern

Please find below a list of potential rule changes that I support. I believe all of the following to be a positive change to assist Poker to not only remain strong but to grow and help support the now smaller number of casinos in Washington State.

1. Hours of Operation – would allow for 24-7 operations
2. Promotions – enhances opportunities for operating promotions
3. Poker wager limits – raises the poker limit to \$100 on all games and \$300 for poker games that also operate house banked games
4. Allows the rake at 10% removing the \$5 limit and allows for \$100 wager on all games, not just Texas Hold'em

Thank You,

Dan Baker  
Controller  
Black Pearl Spokane

**From:** [Newer, Susan \(GMB\)](#)  
**To:** [Griffin, Tina \(GMB\)](#); [Hunter, Amy \(GMB\)](#)  
**Subject:** FW: Rule Changes - Public Comment  
**Date:** Wednesday, June 15, 2016 4:50:43 PM

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[Another to add](#)

---

**From:** Ian Riley [mailto:[ianriley@blackpearlspokane.com](mailto:ianriley@blackpearlspokane.com)]  
**Sent:** Wednesday, June 15, 2016 2:04 PM  
**To:** Newer, Susan (GMB) <[susan.newer@wsgc.wa.gov](mailto:susan.newer@wsgc.wa.gov)>  
**Cc:** Dolores Chiechi <[DChiechi@rga-wa.org](mailto:DChiechi@rga-wa.org)>  
**Subject:** Rule Changes

Attention WSGC

To whom it may concern

Please find below a list of potential rule changes that I support. I believe all of the following to be a positive change to assist Poker to not only remain strong but to grow and help support the now smaller number of casinos in Washington State.

1. [Hours of Operation – would allow for 24-7 operations](#)
2. [Promotions – enhances opportunities for operating promotions](#)
3. [Poker wager limits – raises the poker limit to \\$100 on all games and \\$300 for poker games that also operate house banked games](#)
4. [Allows the rake at 10% removing the \\$5 limit and allows for \\$100 wager on all games, not just Texas Hold'em](#)

Thank you,  
Regards,  
Ian Riley

**From:** [Newer, Susan \(GMB\)](#)  
**To:** [Griffin, Tina \(GMB\)](#)  
**Subject:** FW: Proposed Rule Changes - Public Comment  
**Date:** Thursday, June 16, 2016 10:48:40 AM

---

**From:** Josh Herschlip [mailto:josh\_herschlip@msn.com]  
**Sent:** Thursday, June 16, 2016 12:31 AM  
**To:** Newer, Susan (GMB) <susan.newer@wsgc.wa.gov>  
**Cc:** Dolores Chiechi <dchiechi@rga-wa.org>  
**Subject:** Proposed Rule Changes

My name is Josh Herschlip, I am the Regional Manager for the Buzz Inn Steakhouse Corporation, This includes representation of the Buzz Inn Steakhouse and Casino located in East Wenatchee. We also previously owned and operated Ace's Casino which was located in Arlington, WA. I'm contacting you regarding potential rule changes. The reason I mention the previous location is these rule changes could have been potential difference makers in our survival. Aces was located within 10 miles of three tribal casinos (Tulalip, Quil Ceda and Angel of the Winds)

\*We support the change in the hours of operation. The forcing of closure to our establishments when a potential of business exists and is accessible throughout the state with no limitations creates an unfair advantage as well as limits customer base with staggered schedules. Many occupations include swing shift/ grave yard shifts the forced closure drives that potential business elsewhere.

\*We support the changes in promotion allowances. These restrictions put a damper on our creativity and the possibilities of great promotions to entertain our guests. These promotions are how we create excitement about our businesses and generate new business! People like spinning wheels and the excitement of the possibility.

\*We support the increased poker wagers. Increasing this wager not only helps level the playing field that exists in our state but makes it less of a conversation to our guests as what the difference of playing poker at a tribal casino and our card rooms. It also allows greater flexibility to games being spread. I believe most people agree poker is a game of skill and proper wagering is an important part of the game and allows players to better protect their investment or wager by betting accordingly to pot size. The greater the spread the better the game. That being said all games approved to be spread or played should allow for the same wager to alleviate confusion to our staffs, agents and guests.

\*We support the change in rake structure. Allowing our operations to rake up to 10% of the pot allows for the rooms to absorb portions of the costs that have been added to our day to day operation.(Health Care, Minimum Wage Increase, Restrictive Scheduling, Sick Leave, Salary Structure as well as rising product cost) These are obviously much greater costs than increased rake can fix but it's a step in the right direction for those who offer poker. We are an industry in great need of finding a balance for gaming in our state we need new revenue to just survive, while the current rules allow the same industry to thrive with a few major adjustments to the rules.

Please support these changes and help the R.G.A. balance out gaming in our state!

Thank You For Your Time.  
Josh Herschlip

**From:** [Newer, Susan \(GMB\)](#)  
**To:** [Griffin, Tina \(GMB\)](#); [Hunter, Amy \(GMB\)](#)  
**Subject:** FW: Rule Changes for Card rooms - Public Comment  
**Date:** Wednesday, June 15, 2016 4:47:30 PM

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FYI – This came in today from Susan’s email.

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**From:** Mark and Patricia Greene [mailto:maloa@hotmail.com]  
**Sent:** Wednesday, June 15, 2016 3:29 PM  
**To:** Newer, Susan (GMB) <susan.newer@wsgc.wa.gov>  
**Cc:** Lance Rinard <lancerin@aol.com>; Dolores (RGA) <DChiechi@rga-wa.org>  
**Subject:** Rule Changes for Card rooms

Dear Susan,

As owner of Lancer Lanes and Casino I would like to let you know that I'm in favor of all the rule changes to do with 24 hours open, Poker limits and rake, and enhanced opportunities for promotions. Please go ahead and adopt the new rules for these items.

Thank you,

Mark Greene

HERE ARE 7 PAGES OF SIGNATURES  
FROM SOME OF OUR CUSTOMERS  
WAITING TO SEE THE INCREASE IN THE  
LIMITS FOR POKER FROM \$100 TO \$300

WAL 230-15-135

*[Handwritten signature]*



**New Phoenix  
CASINO**

The Last • Frontier  
**Casino**

**George Teeny**

(360) 573-6442  
(503) 281-0932

Fax: (360) 263-3573  
gteeny@thephoenixcasino.com  
www.thephoenixcasino.com

P.O. Box 1990 La Center, WA 98629

June 11, 2016

To the Washington State Gambling Commission

It has come to our attention that there is a petition for a rule change dealing with the limits that are now being played in the house-banked poker rooms of Washington State. The petition is asking that the limits for poker be adjusted in the house banked rooms from the now \$100 limits on Texas Holdem to a \$300 limit, and that the limit that is being requested, can be played on all types of poker games throughout the state.

It has been explained to us that gaming in this state is highly regulated, that limits are controlled by the gambling commission with advice from the legislature, and even though the most popular type of poker throughout the country and in this state is no-limit poker, we are unable to play a "true" no-limit game format.

The increase that is being asked for will allow us to play a faux-type of no-limit. The maximum bet of \$300 will rarely be seen in the small blind games (e.g. \$1.00/\$2.00) offered, and yet the game can be played similar in like to no-limit.

We asked that the limit be adjusted (for all games), so that our game of choice will be able to be played in these cardrooms.

Sincerely,

Players in Southwest Washington

PLEASE SIGN, DATE AND THEN PRINT YOUR NAME

~~\_\_\_\_\_ 6-13-16~~  
 Fort Buchanan 6-13-16  
~~\_\_\_\_\_ 6-13-16~~  
~~\_\_\_\_\_ 6-13-16~~  
 6/13/16  
 6/13/16  
 AM  
 Sarah M. KorteKaas 6-13-16  
~~\_\_\_\_\_ 6/13/16~~  
 6/13/16  
 6-13-16  
 6/13/16  
 6/13/16  
 Marion Hale 6/13/16

Robert Clement  
 Lonnie T. Smith  
 Thomas Moss  
 Susan Miser  
 AJ Summers  
 Alexander Magallanes  
 Sarah m.f. KorteKaas  
 Chris Kroll  
 RON - STEVIE  
 Kyle Nelson  
 \_\_\_\_\_  
 Marion Hale

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PLEASE SIGN, DATE AND THEN PRINT YOUR NAME

Dwight Cotton  
[Signature]  
[Signature]  
Steve 6/13/16  
[Signature] 6-13-16  
Harley 6-13-16  
Carl M 6/13/16  
[Signature] 6/13/16  
[Signature] 6/13/16  
[Signature] 6/13/16  
[Signature] 6/13/16  
[Signature] 6/13/16  
[Signature] 6-13-16  
[Signature] 6-13-16

Dwight Cotton 6-12-16  
Stephen Krystynik 6/12/16  
Kevin Erickson  
Billy Weston  
Susan Chamberlin  
David Shockey  
Paul D Johnson  
Mike Raser  
John Law  
Kim Anderson  
Julius Schultz  
Salvador Calderon  
Michael Cherney

June 11, 2016

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Sincerely,

Players in Southwest Washington

PLEASE SIGN, DATE AND THEN PRINT YOUR NAME

Robert F. Arvasiti  
[Signature]  
6/12/16  
[Signature]  
[Signature]  
[Signature]  
[Signature]  
[Signature]  
[Signature]  
[Signature]  
[Signature]  
[Signature]

Robert F. Arvasiti  
Adam Martin 6/12/16  
Steve Starbuck 6/12  
Poon Chan 6/12  
Juanita Siwinski 6-12-16  
Virginia Moran  
Cheryl Bartow 6/12/16  
Patrick Petree  
Johnny Ah-Yuk 6/12/16  
Anthony AN 6/12/16  
William R. Wagener 6/12/16  
Doon Koolgaal 6/13/16  
Emily Esandero 6/13/16



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Sincerely,

Players in Southwest Washington

PLEASE SIGN, DATE AND THEN PRINT YOUR NAME

Gary Ross  
D  
Larry Loria  
John  
Alan Harper  
R A J  
John  
John Dinger  
Mark & Bruce  
Bill  
E Stewart  
Bob  
John Scott

Gary Ross 6/11/16  
Dan Dehoff 6/11/16  
Larry Davidson 6/11/16  
John Kales 6-11-16  
Alan Harper 6/11/16  
TIMOTHY A. GREEN 6/11/16  
Shaen Ross 6-12-16  
Steven Demjan 6/12/16  
Gary Brown 6-12-16  
Bill's Cable 6-12-16  
C. STEWART  
Dag Boyd 6-12-16  
Robin Scott 6-12-16







June 11, 2016

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Sincerely,

Players in Southwest Washington

PLEASE SIGN, DATE AND THEN PRINT YOUR NAME

Durkee R. Lewis 6/14/16  
Steve 6/14/16  
Chris Nguyen 6/14/16  
Emanuel Mendez 6/14/16  
John 6-14-16  
Paul 6-15-2016  
Paul Wallace 6-15-2016  
[Signature]  
Don C. Levesque  
Cynthia G. Biggs 6-15-16  
[Signature]  
Joseph J. Anderk

DURKEE R. LEWIS  
Jason Hill  
Chris Nguyen  
Emanuel Mendez  
John Novak  
JASON A GARDNER  
DICK WALLACE  
Chris Cantor 6/15/16  
DANA C. LEVESQUE 6/15/16  
Cynthia G. Biggs  
Marilyn Grant #69  
Dave Thomas  
JOSEPH J ANDERK

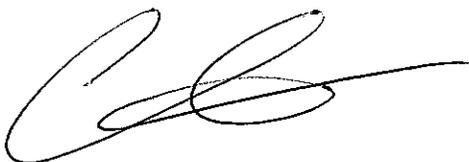
6/15/16

To the Washington State Gambling Commission,

My name is Christopher Canter. As a low limit player in SW Washington I would strongly like to recommend that you adjust the betting limit from \$100 a bet to \$300 a bet for poker rooms in Washington State.

A structure of \$1-\$2, \$1-\$300 spread limit will allow myself and many players like me to play the type of game that we would most enjoy, and would be more affordable than the current structured betting of limit games. While it might seem that raising the betting limit to \$300 would be more expensive for current players, in actuality it will not be any bigger of a game such as a \$4/\$8 structured betting game as we will be able to decide how much or how little to bet instead of being forced to bet or call a preset amount. Allowing this change to the betting structure would go great lengths to strengthen poker in Washington State.

Thank you for your time and consideration,

A handwritten signature in black ink, appearing to read 'C. Canter', with a long horizontal flourish extending to the right.

Christopher Canter

**From:** [Newer, Susan \(GMB\)](#)  
**To:** [Griffin, Tina \(GMB\)](#)  
**Subject:** FW: petitions  
**Date:** Monday, June 27, 2016 2:10:31 PM

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**From:** George Teeny [mailto:gteeny@thephoenixcasino.com]  
**Sent:** Monday, June 27, 2016 1:47 PM  
**To:** Newer, Susan (GMB) <susan.newer@wsgc.wa.gov>  
**Cc:** dolores@rga-wa.org; Jo England <jengland@thephoenixcasino.com>  
**Subject:** petitions

Afternoon Commissioners

This email is to notify you that my club, The Phoenix Casino, supports the petitions that have been submitted to you by private parties and the RGA.

WAC rules to be modified and petitions to follow:

- 1) 230-15-025 ---- Hours of Operation
- 2) 230-06-030 ---- Restrictions and Conditions – Gambling Promotions
- 3) 230-06-031 ---- Promotional Contests of Chance
- 4) 230-15-080 ---- Authorized Fees and Authorized Methods of Collection
- 5) 230-15-135 ---- Wagering Limits for Nonhouse-Banked Card Games

These petitions, all or in part, will help the gaming industry as a whole.

However, with that being said, none of these petitions are the “golden ticket” for the commercial clubs to grow and prosper in the years ahead. The only thing that might have that affect will be some form of electronic (gaming) pull tab machines.

thank you for your time and consideration,  
sincerely,  
george teeny

**From:** [Newer, Susan \(GMB\)](#)  
**To:** [Griffin, Tina \(GMB\)](#)  
**Subject:** FW: petitions  
**Date:** Monday, June 27, 2016 2:10:17 PM

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**From:** George Teeny [mailto:gteeny@thephoenixcasino.com]  
**Sent:** Monday, June 27, 2016 1:49 PM  
**To:** Newer, Susan (GMB) <susan.newer@wsgc.wa.gov>  
**Cc:** dolores@rga-wa.org; Jo England <jengland@thephoenixcasino.com>  
**Subject:** FW: petitions

Afternoon Commissioners

This email is to notify you that my club, [THE LAST FRONTIER CASINO](#), supports the petitions that have been submitted to you by private parties and the RGA.

WAC rules to be modified and petitions to follow:

- 1) 230-15-025 ---- Hours of Operation
- 2) 230-06-030 ---- Restrictions and Conditions – Gambling Promotions
- 3) 230-06-031 ---- Promotional Contests of Chance
- 4) 230-15-080 ---- Authorized Fees and Authorized Methods of Collection
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sincerely,  
george teeny

## Repeal:



- WAC 230-13-135(2) Maximum wagers and prize limitations.
- WAC 230-13-010 Approval of new amusement games (Repeal certain portions).
- WAC 230-06-110(6) Buying, selling, or transferring gambling equipment.
- WAC 230-05-030(10) Fees for other businesses.
- WAC 230-05-030(11) Fees for other businesses.
- WAC 230-03-190(1) Applying for a distributor license.
- WAC 230-03-185(1)(c) Applying for a manufacturer license.
- WAC 230-13-080(4) Operating coin or token activated amusement games.

### July 2016 – Up for Discussion and Possible Filing

|   |   |
|---|---|
| Tab 7: July 2016 Commission Meeting Agenda.   | Statutory Authority 9.46.070, RCW 9.46.0201 |
| Who Proposed the Rule Change?   |   |
| Pat Tompkins, petitioner.   |   |
| Describe the Proposed Change / Background   |   |
| <p>Mr. Tompkins is requesting eight requirements related to group 12 Amusement Games be repealed. According to Mr. Tompkins:</p> <p>“The amended sections in these WAC's are no longer needed as the WSGC just recently adopted multiple amendments in Section WAC 230-13-005 Amusement games authorized that makes group 12 games no different than group 1 – 11 games. There is no longer any reason to require group 12 commercial amusement operators and manufactures to these restrictions and requirements. This is discriminatory towards Group 12 game commercial amusement operators and manufactures.”</p> <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 identified the rule changes Mr. Tompkins is requesting be repealed as necessary to ensure effective regulation.</p> <p>The Commissioners passed seven of these rules at their March meeting, after several months of discussion. WAC 230-13-080(4), which limited the number of group 12 amusement games per location, was passed at the April meeting, after several months of discussion.</p> <p>The requirements Mr. Tompkins is requesting be repealed:</p> <ol style="list-style-type: none"><li>1. Set wagering limits of \$5 and prize limits of \$1,000 for group 12 amusement games. If repealed, group 12 amusement games would have no wagering or prize limits.</li><li>2. Require testing of group 12 amusement games by our gambling lab. If repealed, group 12 amusement games would not be tested by the Commission’s gambling lab.</li><li>3. Require group 12 amusement games to be sold or leased by a licensed manufacturer or distributor to a licensee.</li><li>4. Require the review of group 12 amusement games with costs for the review being reimbursed by the manufacturers. If the requirement for testing by the lab is repealed (2 above), this rule would not be needed.</li><li>5. Require all group 12 amusement games to have an annual identification stamp, which would cost \$250. If this requirement is repealed, the identification stamp would be \$29.68, which is the cost of an identification stamp for group 1 through 11 amusement games.</li></ol> |   |

6. Require distributors of group 12 amusement games to be licensed.
7. Require manufacturers of group 12 amusement games to be licensed. Manufacturers of other amusement games are not licensed.
8. Limit the number of group 12 amusement games a licensee may have in their licensed premises to twenty for charitable and nonprofit licensees and ten for commercial licensees. If repealed, there would not be a limit on the number of group 12 amusement games an operator could have.

A Small Business Economic Impact Statement was not prepared. These rules change would decrease requirements and would not impose additional costs to licensees.

**Attachments:**

- Eight petitions submitted by Mr. Tompkins
- Notice of rule-making sent to all amusement game licensees
- Budget Proviso (the following language was included in the budget passed by the legislature):“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.”

**Licensees Impacted**

Group 12 operators, distributors and manufacturers.

**Statements supporting and opposing**

None to date.

**Staff Recommendation**

Under the requirements of the Administrative Procedure Act, the Commission must take action on a petition within 60 days of receiving it. Your options are:

- 1) Initiate rule-making proceedings (file the rule for further discussion);
- 2) Deny the petition in writing, stating the reasons for the denial and specifically address the concerns stated in the petition. If appropriate, the Commission must indicate alternative means by which the agency will address the concerns raised in the petition; or you could also,
- 3) Propose an alternative version of the rule.

**Proposed Effective Date for Rule Change**

Petitioner did not propose an effective date, presumably it would be 31 days from filing.

## **Amended Section**

### **WAC 230-13-135 Maximum wagers and prize limitations.**

((1)) The maximum wager is three dollars and fifty cents and the maximum cost for a prize is five hundred dollars if school-aged minors are allowed to play amusement games at the following locations:

~~(1((a)))~~ Regional shopping centers; and

~~(2((b)))~~ Movie theaters; and

~~(3((c)))~~ Bowling alleys; and

~~(4((d)))~~ Miniature golf course facilities; and

~~(5((e)))~~ Skating facilities; and

~~(6((f)))~~ Family sports complexes.

~~(a((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.

~~(b((j)))~~ A family sports complex does not include a facility owned or operated by a school or school district; and

~~(7((g)))~~ Amusement centers; and

~~(8((h)))~~ 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; and

~~(9((i)))~~ Any business whose primary activity is to provide food service for on premises consumption.

~~((2) For group 12 amusement games, the maximum wager is five dollars and the maximum cost for a prize is one thousand dollars.)~~

## Amended Section

### WAC 230-13-010 Approval of new amusement games.

(1) Operators may introduce new games that meet the standards of an authorized group (~~(-1 through 11 amusement game))~~) without approval of the director as long as they provide the director or his or her designee with a description (~~(of the game))~~), the rules of play, and the group number of the game with an explanation of why that group was chosen at least sixty days before introducing the game.

~~((The game cannot be introduced during this sixty day period unless approved sooner by us. The sixty day period stops when we request additional information.))~~

(2) ~~((The following procedures apply to all group 12 amusement games. Games approved before the effective date of this rule must be submitted for testing, including the application and deposit, by May 1, 2016:~~

~~(a) An application and deposit must be submitted requesting approval of new group 12 amusement games and the applicant will provide all requested information;~~

~~(b) All amusement game equipment, programs, and games must be submitted for our review to verify compliance with chapter 9.46 RCW and Title 230 WAC.~~

~~(i) The equipment, programs, and/or games submitted must be fully functional/operational and capable of being tested once our review begins.~~

~~(ii) If the equipment is not fully functional/operational and ready for testing and review, we may require additional equipment or information before we start our review process.~~

~~(c) Amusement game equipment, programs, and games submitted for review must be identical to what will be marketed, distributed, and deployed in Washington;~~

~~(d) Group 12 amusement games must allow for a means of identifying and validating approved software that will demonstrate the authenticity of any software or game by a third party verification program or tool;~~

~~(e) We will have sixty days to finish our review once your application is complete;~~

~~(f) We will notify you if we require additional information or if your equipment, program, or game malfunctions or is otherwise inoperable.~~

~~(i) You will have fourteen days to provide any additional information or correct any equipment, program, or game malfunction and the sixty day review period stops when this occurs. The review period will restart when we receive the requested additional information or when the problem is corrected. You will be responsible for any additional cost needed to review the additional information provided or review of any equipment, program, or game malfunction;~~

~~(ii) Review of your application may be terminated if you do not respond within fourteen days. You will be required to reapply under this rule if your application is terminated.~~

~~(g) You can only begin selling, leasing, distributing, or operating these amusement games once all entities or individuals are licensed under chapter 230-03 WAC and the amusement game equipment, program, and/or game(s) are approved by the director or director's designee;~~

~~(h) All licensed amusement games must operate as approved by the director or director's designee; and~~

~~(i) We may keep equipment, software, and/or games submitted for review to allow for continued testing and training as long as the equipment remains in play in Washington. We are not liable for any damage to equipment while in our possession.))~~

~~((3)) If the director or director's designee notifies the operator that the proposed game does not meet the standards or otherwise violates the gambling laws or rules, the operator:~~

~~(a) May not introduce the game; and~~

~~(b) If already introduced, must remove it from play until the operator brings it into compliance with the authorized group (~~(;-and~~~~

~~((c) If you do not agree with the director or director's designee's decision, you may file a petition for declaratory order with the commission according to RCW 34.05.240 and chapter 230-17 WAC)).~~

## **Amended Section**

### **WAC 230-06-110 Buying, selling, or transferring gambling equipment.**

(1) All licensees and persons authorized to possess gambling equipment must closely control the gambling equipment in their possession.

(2) Before selling gambling equipment, licensees must ensure that the buyer possesses a valid gambling license or can legally possess the equipment without a license.

(3) Before purchasing gambling equipment, licensees must ensure that the seller possesses a valid gambling license.

(4) Applicants for Class F or house-banked card room licenses may purchase and possess gambling equipment during the precicensing process, but only after receiving written approval from us.

(5) Charitable and nonprofit organizations conducting unlicensed bingo games, as allowed by RCW 9.46.0321, may possess bingo equipment without a license.

~~(6) ((Group 12 amusement games can only be sold or leased by a licensed manufacturer or distributor to a licensee. Lease agreements entered into prior to the effective date of this rule may continue until the manufacturer is licensed or December 31, 2016, whichever occurs first.~~

~~(7))~~ Licensees may transfer gambling equipment as a part of a sale of a business as long as a condition of the sale is that the buyer receives a gambling license before the sale is complete. Licensees must make a complete record of all gambling equipment transferred in this manner, including I.D. stamps. Licensees must report these transfers, including a copy of the inventory record, to us.

**Amended Section****WAC 230-05-030 Fees for other businesses.**

All other business license applicants must pay the following fees to us when applying for gambling licenses, miscellaneous changes, or inspection services:

**1. Commercial amusement games**

| <b>License</b> | <b>Annual Gross Gambling Receipts</b> | <b>Fee</b>  |
|----------------|---------------------------------------|-------------|
| Class A        | Premises only                         | \$347/\$159 |
| Class B        | Up to \$50,000                        | \$488       |
| Class C        | Up to \$100,000                       | \$1,256     |
| Class D        | Up to \$250,000                       | \$2,804     |
| Class E        | Up to \$500,000                       | \$4,918     |
| Class F        | Up to \$1,000,000                     | \$8,446     |
| Class G        | Over \$1,000,000                      | \$10,568    |

\* We reduce the license fee by \$177 when you apply for additional licenses at the same business premises, apply for multiple licenses at the same business premises, or a licensee is renewing an annual license.

**2. Distributor**

| <b>License</b> | <b>Annual Gross Sales</b>    | <b>Fee</b> |
|----------------|------------------------------|------------|
| Class A        | Nonpunch board/pull-tab only | \$699      |
| Class B        | Up to \$250,000              | \$1,398    |
| Class C        | Up to \$500,000              | \$2,100    |
| Class D        | Up to \$1,000,000            | \$2,804    |
| Class E        | Up to \$2,500,000            | \$3,654    |
| Class F        | Over \$2,500,000             | \$4,498    |

### 3. Fund-raising event equipment distributor

| <b>License</b> | <b>Description</b>  | <b>Fee</b> |
|----------------|---|------------|
| Class A        | Rents or leases equipment for fund-raising event or recreational gaming activity up to 10 times per year.     | \$276      |
| Class B        | Rents or leases equipment for fund-raising event or recreational gaming activity more than 10 times per year. | \$699      |

### 4. Gambling service supplier

| <b>License</b>  | <b>Fee</b> |
|---|------------|
| Annual  | \$728      |
| Financing, consulting, and management contract review | \$152      |

### 5. Linked bingo prize provider

| <b>License</b> | <b>Fee</b> |
|----------------|------------|
| Annual         | \$4,680    |

### 6. Call centers for enhanced raffles

| <b>License</b> | <b>Fee</b> |
|----------------|------------|
| Annual         | \$4,770    |

### 7. Manufacturer

| <b>License</b> | <b>Annual Gross Sales</b>        | <b>Fee</b> |
|----------------|----------------------------------|------------|
| Class A        | Pull-tab dispensing devices only | \$699      |
| Class B        | Up to \$250,000                  | \$1,398    |
| Class C        | Up to \$500,000                  | \$2,100    |
| Class D        | Up to \$1,000,000                | \$2,804    |
| Class E        | Up to \$2,500,000                | \$3,654    |
| Class F        | Over \$2,500,000                 | \$4,498    |

## 8. Permits

| Type   | Description  | Fee   |
|--|--|-------|
| Agricultural fair                                | One location and event only                                | \$29  |
| Agricultural fair annual permit                  | Annual permit for specified different events and locations | \$200 |
| Recreational gaming activity                     |  | \$63  |
| Manufacturer's special sales permit              |  | \$224 |
| Punch board and pull-tab service business permit | Initial application fee                                    | \$250 |
| Punch board and pull-tab service business permit | Renewal  | \$59  |

## 9. Changes

| Application  | Description                                 | Fee  |
|--|---|------|
| Name   |   | \$29 |
| Location   |   | \$29 |
| Business classification                                | Same owners                                 | \$63 |
| Exceeding license class                                | New class fee, less previous fee paid, plus | \$29 |
| Duplicate license                                      |   | \$29 |
| Corporate stock/limited liability company shares/units |   | \$63 |
| License transfers                                      |   | \$63 |

## 10. Other fees

| Type  | Fee   |
|---|---|
| Defective punch board/pull-tab cost recovery fees   | Up to \$106   |
| Failing to apply for license class upgrade  | Up to fifty percent of the difference between our fees for the licensee's present license class and the new license class or one thousand dollars, whichever is less, plus \$29 |
| Review of gambling equipment, supplies, services ((;)) or games ((; or group 12 amusement games)) | Cost reimbursement  |

## 11. Identification stamps

| Type   | Fee                          |         |
|--|------------------------------|---------|
| <b>(a) Punch boards and pull-tabs</b>                                    |                              |         |
| (i) Standard   | Wagers fifty cents and below | \$ .30  |
|  | Wagers over fifty cents      | \$1.18  |
| (ii) Progressive jackpot pull-tab series                                 | Per series                   | \$11.86 |
| (iii) Pull-tab series with carry-over jackpots and cumulative prize pool | Per series                   | \$1.18  |

| <b>Type</b>   |  | <b>Fee</b>        |
|---|--|-------------------|
| pull-tab series   |  |                   |
| <b>(b) Pull-tab dispensing devices</b>                      |  |                   |
| (i) Mechanical and electro-mechanical                       |  | \$ .30            |
| (ii) Electronic   | Dispensing devices that require initial and ongoing evaluation of electronic components or functions, such as reading encoded data on pull-tabs, accounting for income or prizes | \$118.76 annually |
| Replacement of identification stamps                        |  | \$28              |
| <b>(c) Disposable bingo cards</b>                           |  |                   |
| (i) Single game sets of individual cards or sheets of cards |  | \$ .30            |
| (ii) Multigame card packets                                 |  | \$1.29            |
| (iii) Cards used to play for linked bingo prizes            | Fee per 250 cards  | \$ .47            |
| (iv) Cards used to play                                     | Fee per 5,000 cards  | \$9.50            |

| <b>Type</b>   |  | <b>Fee</b>    |
|---|--|---------------|
| for linked bingo prizes   |  |               |
| <b>(d) Coin or token-activated amusement games</b>  |  |               |
| Annually – Operated at any Class A amusement game license location ((; group 1 through 11 games)) |  | \$29.68       |
| ((Annually for group 12 games))   |  | (((\$250.00)) |
| <b>(e) Electronic bingo card daubers</b>  |  |               |
| Annual  |  | \$11.86       |
| <b>(f) Electronic card facsimile table</b>  |  |               |
| Annual  |  | \$404.39      |

**12. Two-part payment plan participation**

|                      |      |
|----------------------|------|
| Annual participation | \$29 |
|----------------------|------|

**Amended Section****WAC 230-03-190 Applying for a distributor license.**

You must apply for a distributor license if you:

(1) Buy or otherwise obtain a finished piece of gambling equipment for use in authorized gambling activities (~~(or a group 12 amusement game)~~) from another person and sell or provide that gambling equipment to a third person for resale, display, or use; or

(2) Are a manufacturer who sells or provides gambling equipment you do not make to any other person for resale, display, or use; or

(3) Service and repair authorized gambling equipment. However, distributors must not add, modify, or alter the gambling equipment; or

(4) Modify gambling equipment using materials provided by manufacturers to upgrade equipment to current technology.

## **Amended Section**

### **WAC 230-03-185 Applying for a manufacturer license.**

(1) You must apply for a manufacturer license if you:

(a) Make or assemble a completed piece or pieces of gambling equipment for use in authorized gambling activities; or

(b) Convert, modify, combine, add to, or remove parts or components of any gambling equipment for use in authorized gambling activities ((~~or~~

~~(c) Manufacture group 12 amusement games approved or modified after May 1, 2016. Manufacturers of group 12 amusement games that were approved before the effective date of this rule must apply by May 1, 2016, and be licensed by December 31, 2016.))~~

(2) You must demonstrate your ability to comply with all manufacturing, quality control, and operations restrictions imposed on authorized gambling equipment that you want to manufacture or market for use in Washington state.

(3) The licensing process may include an on-site review of your manufacturing equipment and process for each separate type of authorized gambling equipment to ensure compliance capability.

## **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 games for charitable and nonprofit licensees; and~~
- ~~(b) Ten games for commercial licensees.)~~

**Sent:** Monday, May 16, 2016 7:53 AM

**Subject:** Petitions to repeal

Good morning Tina,

Attached you will find 8 petitions to repeal recently amended WAC's.

The amended sections in these WAC's are no longer needed as the WSGC just recently adopted multiple amendments in Section WAC 230-13-005 Amusement games authorized that makes Group 12 games no different than Group 1 – 11 games. There is no longer any reason to require Group 12 commercial amusement operators and manufactures to these restrictions and requirements. This is discriminatory towards Group 12 game commercial amusement operators and manufactures.

Sincerely.

*Patrick Tompkins*

## **PETITION #1**

### **Petition to repeal the recently amended section in WAC 230-13-135 (2) Maximum wagers and prize limitations.**

(2) For Group 12 amusement games, the maximum wager is five dollars and the maximum cost for a prize is one thousand dollars.

**The Washington State Gambling Commission is responsible for administering this rule.**

**The rational for adoption for the repeal of this existing rule is as follows:**

The amended section in WAC 230-13-080 (4) is no longer needed as the WSGC just recently adopted multiple amendments in Section WAC 230-13-005 Amusement games authorized that makes Group 12 games no different than Group 1 – 11 games. There is no longer any reason to restrict wager or prize limit based upon these changes. This is discriminatory towards Group 12 game operators and locations.

## PETITION #2

### **Petition to repeal the recently amended sections in WAC 230-13-010 Approval of new amusement games.**

(1) Operators may introduce new games that meet the standards of an authorized group 1-11 amusement game without approval of the director as long as they provide the director or his or her designee with a description of the game, the rules of play, and the group number of the game with an explanation of why that group was chosen at least sixty (60) days before introducing the game. The game cannot be introduced during this sixty (60) day period unless approved sooner by us. The sixty day period stops when we request additional information. (2) The following procedures apply to all Group 12 amusement games.

Games approved before the effective date of this rule must be submitted for testing, including the application and deposit, by May 1, 2016: (a) An application and deposit must be submitted requesting approval of a Group 12 amusement games and the applicant will provide all requested information;(b)All amusement game equipment, programs, and games must be submitted for our review

to verify compliance with chapter 9.46 RCW and Title 230 WAC.

(i) The equipment, programs, and/or games submitted must be fully functional/operational and capable of being tested once our review begins.

(ii) If the equipment is not fully functional/operational and ready for testing and review, we may require additional equipment or information before we start our review process;

(c) Amusement game equipment, programs, and games submitted for review must be identical to what will be marketed, distributed, and deployed in

Washington; (d) Group 12 amusement games must allow for a means of identifying and validating approved software that will demonstrate the authenticity of any software or game by a third-party

verification program or tool device; (e) We will have sixty (60) days to finish our review once your application is complete;

(f) We will notify you if we require additional information or if your equipment, program, or game malfunctions or is otherwise inoperable;

(i) You will have fourteen (14) days to provide any additional information or correct any equipment, program, or game malfunction and the sixty (60) day review period stops when this occurs. The review period will restart when we receive the requested additional information or when the problem is corrected. You will be responsible for any additional cost needed to review the additional information provided or review of any equipment, program, or game malfunction;

(ii) Review of your application may be terminated if you do not respond within fourteen (14) days. You will be required to re-apply under this rule if your application is terminated.

(g) You can only begin selling, leasing, distributing, or operating these amusement games once all entities or individuals are licensed under chapter WAC 230-03 WAC and the amusement game equipment, program, and/or game(s) are approved by the director or director's designee;

(h) All licensed amusement games must operate as approved by the director or director's designee; and

(i) We may keep equipment, software, and/or games submitted for review to allow for continued testing and training as long as the equipment remains in play in Washington. We are not liable for any damage to equipment while in our possession.

( 23) If the director or director's designee notifies the operator that the proposed game does not meet the standards or otherwise violates the gambling laws or rules, the operator:

(a) May not introduce the game;

(b) If already introduced, must remove it from play until the operator brings it into compliance with the authorized group;

(c) If you do not agree with the director or director's designee's decision, you may file a petition for declaratory order with the commission according to RCW 34.05.240 and chapter 230-17WAC.

[Statutory Authority: RCW 9.46.070

. WSR 07-15

-064 (Order 612), § 230-

13

-010, filed 7/16/07, effective

1/1/08.]

Amended Section WAC 230-13-135 Maximum wagers and prize limitations at certain amusement game locations

(1) The maximum wager is three dollars and fifty cents and the maximum cost for a prize is five hundred dollars if school-aged minors are allowed to play amusement games at the following locations:

(1a ) Regional shopping centers; and

(2b) Movie theaters; and

(3c ) Bowling alleys; and

(4d) Miniature golf course facilities; and

(5e ) Skating facilities; and

(6f ) Family sports complexes.

(ai) 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.

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

(7g) Amusement centers; and

(8h) 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; and

(9i ) Any business whose primary activity is to provide food service for on premises consumption.

(2) For Group 12 amusement games, the maximum wager is five dollars and the maximum cost for a prize is one thousand dollars.

**The Washington State Gambling Commission is responsible for administering this rule.**

**The rationale for adoption for the repeal of this existing rule is as follows:**

The amended sections in **WAC 230-13-010** is no longer needed as the WSGC just recently adopted multiple amendments in Section WAC 230-13-005 Amusement games authorized that makes Group 12 games no different than Group 1 – 11 games. There is no longer any reason to require Group 12 commercial amusement operators to these restrictions and requirements. This is discriminatory towards Group 12 game commercial amusement operators.

### **PETITION #3**

#### **Petition to repeal the recently amended section in WAC 230-06-110 (6) Buying, selling, or transferring gambling equipment.**

(6) Group 12 amusement games can only be sold or leased by a licensed manufacturer or distributor to a licensee. Lease agreements entered into prior to the effective date of this rule may continue until the manufacturer is licensed or December 31, 2016, whichever occurs first.

**The Washington State Gambling Commission is responsible for administering this rule.**

**The rational for adoption for the repeal of this existing rule is as follows:**

The amended section in **WAC 230-06-110 (6)** is no longer needed as the WSGC just recently adopted multiple amendments in Section WAC 230-13-005 Amusement games authorized that makes Group 12 games no different than Group 1 – 11 games. There is no longer any reason to require Group 12 manufactures to this restriction. This is discriminatory towards Group 12 game manufactures.

## PETITION #4

**Petition to repeal the recently amended section in WAC 230-05-030 (10) Fees for other businesses.**

(10) Review of gambling equipment, supplies, services, ((or)) games, or **group 12 amusement games**.

**The Washington State Gambling Commission is responsible for administering this rule.**

**The rational for adoption for the repeal of this existing rule is as follows:**

The amended section in **WAC 230-05-030 (10)** is no longer needed as the WSGC just recently adopted multiple amendments in Section WAC 230-13-005 Amusement games authorized that makes Group 12 games no different than Group 1 – 11 games. There is no longer any reason to require Group 12 manufactures to pay this fee. This is discriminatory towards Group 12 game manufactures.



## PETITION #5

**Petition to repeal the recently amended section in WAC 230-05-030 (11) Identification stamps. (d) Coin or token-activated amusement games.**

(11) (d) Annually -operated at any Class A amusement game license location;  
Group 1 through 11 games \$29.68 Annually for  
Group 12 games \$250.00

**The Washington State Gambling Commission is responsible for administering this rule.**

**The rational for adoption for the repeal of this existing rule is as follows:**

The amended section in **WAC 230-05-030 (11) (d)** is no longer needed as the WSGC just recently adopted multiple amendments in Section WAC 230-13-005 Amusement games authorized that makes Group 12 games no different than Group 1 – 11 games. There is no longer any reason to require Group 12 commercial amusement game operators to pay this increased fee. This is discriminatory towards Group 12 commercial amusement game operators.

## **PETITION #6**

### **Petition to repeal the recently amended section in WAC 230-03-190 (1) Applying for a distributor license**

(1) Buy or otherwise obtain a finished piece of gambling equipment for use in authorized gambling activities or a group 12 amusement game from another person and sell or provide that gambling equipment to a third person for resale, display, or use; or

**The Washington State Gambling Commission is responsible for administering this rule.**

**The rational for adoption for the repeal of this existing rule is as follows:**

The amended section in **WAC 230-03-190 (1)** is no longer needed as the WSGC just recently adopted multiple amendments in Section WAC 230-13-005 Amusement games authorized that makes Group 12 games no different than Group 1 – 11 games. There is no longer any reason to require Group 12 distributors to be licensed. This is discriminatory towards Group 12 game distributors.

## **PETITION #7**

**Petition to repeal the recently amended section in WAC 230-03-185 (1) (c)  
Applying for a manufacturer license.**

(c) Manufacture group 12 amusement games. Manufacturers of group 12 amusement games that were approved before the effective date of this rule must apply by May 1, 2016, and be licensed by December 31, 2016.

**The Washington State Gambling Commission is responsible for administering this rule.**

**The rational for adoption for the repeal of this existing rule is as follows:**

The amended section in **WAC 230-03-185 (1) (c)** is no longer needed as the WSGC just recently adopted multiple amendments in Section WAC 230-13-005 Amusement games authorized that makes Group 12 games no different than Group 1 – 11 games. There is no longer any reason to require Group 12 manufactures to be licensed. This is discriminatory towards Group 12 game manufactures.

## **PETITION #8**

### **Petition to repeal the recently amended section in WAC 230-13-080 (4)**

(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.

**The Washington State Gambling Commission is responsible for administering this rule.**

### **The rational for adoption for the repeal of this existing rule is as follows:**

The amended section in WAC 230-13-080 (4) is no longer needed as the WSGC just recently adopted multiple amendments in Section WAC 230-13-005 Amusement games authorized that makes Group 12 games no different than Group 1 – 11 games. There is no longer any reason to restrict the number of games in a location based upon these changes. This is discriminatory towards Group 12 game operators and locations.

**From:** [DONOTREPLY \(GMB\)](#)  
**Cc:** [Hunter, Amy \(GMB\)](#)  
**Subject:** Washington State Gambling Commission - Petitions for Rule Changes  
**Date:** Friday, June 17, 2016 9:10:36 AM

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We have received eight petitions for rule changes to repeal certain requirements for group 12 amusement games. The petitions are posted on our website and can be viewed by clicking on this [link](#). These petitions will be Up for Discussion and Possible Filing at the July 14, 2016, Commission meeting, which will be held at:

Red Lion Seattle Airport  
18220 International Blvd.  
Seattle, WA 98188 [MAP](#)  
(206) 246-5535

The agenda for the meeting will be posted on our website approximately one week before the meeting. If you would like to provide comments on these petitions *prior* to the Commission meeting, please email your comments to [RulesCoordinator@wsgc.wa.gov](mailto:RulesCoordinator@wsgc.wa.gov) by **noon on Friday, July 1, 2016**. Thank you.

**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.

**Amend:**

WAC 230-13-170 Recordkeeping for commercial amusement games.  
WAC 230-13-175 Recordkeeping for unlicensed charitable and nonprofit amusement games.  
WAC 230-06-200 Defining “gambling equipment.”



**July 2016 – Up for Discussion and Possible Filing**

|   |
|---|
| Tab 8: July 2016 Commission Meeting Agenda. Statutory Authority 9.46.070, RCW 9.46.0201   |
| <b>Who Proposed the Rule Change?</b>  |
| Jesse Stiltner, Manager of Masters of Money LLC, an amusement game licensee, petitioner.  |
| <b>Describe the Proposed Change / Background</b>  |
| <p>Mr. Stiltner is requesting three requirements related to amusement games be changed.</p> <p>Two of the proposed rule changes would remove the word “gambling” from the “gross receipts” licensees must report. (Tab 3 includes a change to WAC 230-13-170). According to the petitioner, “Amusement Games are not gambling, gross receipts from amusement games are not gambling receipts.” This change would “clearly define receipts from Amusement games as not gambling receipts.”</p> <p>The term “gross gambling receipts” is defined in WAC 230-06-150, which includes fees from amusement games and is why the term “gross gambling receipts” was used in WAC 230-07-170 and WAC 230-07-175. Removing “gambling” would make this an undefined term. Therefore, a new rule defining “gross receipts” would be needed.</p> <p>The third proposed rule change would remove Amusement Games from the list of “Gambling Equipment” as defined in WAC 230-03-200. According to the petitioner, the effect would be “thus not subjecting Amusement [amusement] Games to the same rules as gambling equipment.”</p> <p>Budget Proviso (the following language was included in the budget passed by the legislature):<br/>“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.”</p> <p>A Small Business Economic Impact Statement was not prepared.</p> <p>Attachments:</p> <ul style="list-style-type: none"> <li>• Three petitions submitted by Mr. Stiltner.</li> <li>• WAC 230-06-150 Defining "gross gambling receipts."</li> <li>• Notice of rule-making sent to amusement game licensees with email addresses on file.</li> <li>• Budget Proviso (the following language was included in the budget passed by the legislature):<br/>“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.”</li> </ul> |
| <b>Licenses Impacted</b>  |
| Group 12 operators, distributors and manufacturers.   |
| <b>Statements supporting and opposing</b>   |
| None to date.   |

**Staff Recommendation**

Under the requirements of the Administrative Procedure Act, the Commission must take action on a petition within 60 days of receiving it. Your options are:

- 1) Initiate rule-making proceedings (file the rule for further discussion);
- 2) Deny the petition in writing, stating the reasons for the denial and specifically address the concerns stated in the petition. If appropriate, the Commission must indicate alternative means by which the agency will address the concerns raised in the petition; or you could also,
- 3) Propose an alternative version of the rule.

**Proposed Effective Date for Rule Change**

Petitioner did not propose an effective date, presumably it would be 31 days from filing for final action.

**WAC 230-13-170 Recordkeeping for commercial amusement games.**

(1) Amusement game licensees must prepare a detailed record for each location where they operate games. They must retain the records for at least three years. The records must include details necessary to determine:

- (a) Gross ((~~gambling~~)) receipts received from players; and
- (b) Value of prizes awarded to winners.

(2) Records must include, at least:

(a) The gross ((~~gambling~~)) receipts collected from amusement games at each location, with receipting records; and

(b) An entry for each withdrawal of receipts from the games. Coin or token activated amusement games only require an entry of the ending meter reading, the number of plays, and gross ((~~gambling~~)) receipts at the end of each month; and

(c) A summary of the operation of the activity. This includes, at least, coin-in meter readings and gross ((~~gambling~~)) receipts. Operators must provide these coin-in meter readings and gross ((~~gambling~~)) receipts to charitable or nonprofit organizations each time they service a game or disburse money.

(3) Licensees must report at least monthly the number and actual cost of merchandise prizes awarded for each location.

(4) For amusement games that issue tickets for the redemption of prizes, licensees must at least log the beginning and ending nonresettable ticket out meters or ticket numbers during each collection of funds from each game.

(5) Licensees must provide the full details for all amusement game operating expenses.

AMENDATORY SECTION (Amending WSR 07-15-064, filed 7/16/07, effective 1/1/08)

**WAC 230-13-175 Recordkeeping for unlicensed charitable and nonprofit amusement games.**

(1) Unlicensed charitable or nonprofit organizations must keep records according to WAC 230-07-125 which will allow us to:

(a) Determine the amount of gross (~~gambling~~) receipts received from amusement games; and

(b) Identify individuals responsible for receiving and controlling them.

(2) Records must include, at least, the full names, addresses, and phone numbers of employees and members involved in the activity.

AMENDATORY SECTION (Amending WSR 06-07-157, filed 3/22/06, effective 1/1/08)

**WAC 230-03-200 Defining "gambling equipment."** "Gambling equipment" means any device, gambling-related software, expendable supply, or any other paraphernalia used as a part of gambling or to make gambling possible. "Gambling equipment" includes, but is not limited to:

~~((1))~~ ~~Amusement games;~~

~~(2))~~ (1) Punch boards and pull-tabs;

~~((3))~~ (2) Devices for dispensing pull-tabs;

~~((4))~~ (3) Electronic devices for conducting, facilitating, or accounting for the results of gambling activities, including, but not limited to:

(a) Components of a tribal lottery system;

(b) Electronic devices for reading and displaying outcomes of gambling activities; and

(c) Accounting systems that are a part of, or directly connected to, a gambling system including, but not limited to:

(i) Bet totalizers; or

(ii) Progressive jackpot meters; or

(iii) Keno systems;

~~((5))~~ (4) Bingo equipment;

~~((6))~~ (5) Devices and supplies used to conduct card games, fund-raising events, recreational gaming activities, or Class III gaming activities, as defined in the Indian Gaming Regulatory Act at U.S.C. 25 chapter 29 § 2703 and in tribal-state compacts including, but not limited to:

(a) Gambling chips;

(b) Cards;

(c) Dice;

(d) Card shuffling devices;

(e) Graphical game layouts for table games;

(f) Ace finders or no-peek devices;

(g) Roulette wheels;

(h) Keno equipment; and

(i) Tables manufactured exclusively for gambling purposes.



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

Petition #1

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 Jesse Stiltner, Manager  
Name of Organization Masters of Money LLC.  
Mailing Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_  
Telephone \_\_\_\_\_ Email \_\_\_\_\_

### 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/RClist.htm>.

### INFORMATION ON RULE PETITION

Agency responsible for adopting or administering the rule: \_\_\_\_\_

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

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

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

The new rule would affect the following people or groups: \_\_\_\_\_

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

List rule number (WAC), if known: WAC 230-13-170 Recordkeeping for commercial amusement games

Removal of the word gambling from definition of gross receipts of Amusement games.

I am requesting the following change: \_\_\_\_\_

Amusement Games are not gambling, gross receipts from amusement games are not gambling receipts.

This change is needed because: \_\_\_\_\_

to clearly define receipts from Amusement games as not gambling receipts.

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

## 230-13-170 *Proposed change*

### **Recordkeeping for commercial amusement games.**

(1) Amusement game licensees must prepare a detailed record for each location where they operate games. They must retain the records for at least three years. The records must include details necessary to determine:

(a) Gross **gambling** receipts received from players; and

(b) Value of prizes awarded to winners.

(2) Records must include, at least:

(a) The gross **gambling** receipts collected from amusement games at each location, with receipting records; and

(b) An entry for each withdrawal of receipts from the games. Coin or token activated amusement games only require an entry of the ending meter reading, the number of plays, and gross **gambling** receipts at the end of each month; and

(c) A summary of the operation of the activity. This includes, at least, coin-in meter readings and gross **gambling** receipts. Operators must provide these coin-in meter readings and gross **gambling**

receipts to charitable or nonprofit organizations each time they service a game or disburse money.

(3) Licensees must report at least monthly the number and actual cost of merchandise prizes awarded for each location.

(4) For amusement games that issue tickets for the redemption of prizes, licensees must at least log the beginning and ending nonresettable ticket out meters or ticket numbers during each collection of funds from each game.

(5) Licensees must provide the full details for all amusement game operating expenses.

[Statutory Authority: RCW **9.46.070**. WSR 07-15-064 (Order 612), § 230-13-170, filed 7/16/07, effective 1/1/08.]



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

Petition #2

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 Jesse Stiltner, Manager  
Name of Organization Masters of Money LLC.  
Mailing Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_  
Telephone \_\_\_\_\_ Email \_\_\_\_\_

### 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: \_\_\_\_\_

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

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

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

The new rule would affect the following people or groups: \_\_\_\_\_

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

List rule number (WAC), if known: WAC 230-13-175 Recordkeeping for unlicensed charitable and nonprofit amusement g

Removal of the word gambling from definition of gross receipts of Amusement games.

I am requesting the following change: \_\_\_\_\_

Amusement Games are not gambling, gross receipts from amusement games are not gambling receipts.

This change is needed because: \_\_\_\_\_

to clearly define receipts from Amusement games as not gambling receipts.

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

## **230-13-175 *Proposed Change***

### **Recordkeeping for unlicensed charitable and nonprofit amusement games.**

(1) Unlicensed charitable or nonprofit organizations must keep records according to WAC **230-07-125** which will allow us to: (a) Determine the amount of gross **gambling** receipts received from amusement games; and

(b) Identify individuals responsible for receiving and controlling them.

(2) Records must include, at least, the full names, addresses, and phone numbers of employees and members involved in the activity.

[Statutory Authority: RCW **9.46.070**. WSR 07-15-064 (Order 612), § 230-13-175, filed 7/16/07, effective 1/1/08.]



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

Petition #3

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 Jesse Stiltner, Manager  
Name of Organization Masters of Money LLC  
Mailing Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_  
Telephone \_\_\_\_\_ Email \_\_\_\_\_

### 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: \_\_\_\_\_

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

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

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

The new rule would affect the following people or groups: \_\_\_\_\_

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

List rule number (WAC), if known: WAC 230-03-200 Defining "gambling equipment."

Removal of Amusement Games from the list of Gambling Equipment.

I am requesting the following change: \_\_\_\_\_

Amusement Games are not Gambling equipment, they do not meet the definition of gambling as there is NO element of chance.

This change is needed because: \_\_\_\_\_

The removal of Amusement Games from the list of Gambling Equipment, thus not subjecting Amusement Games to the same rules as gambling equipment.

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

## 230-03-200 *Proposed Changes*

### Defining "gambling equipment."

"Gambling equipment" means any device, gambling-related software, expendable supply, or any other paraphernalia used as a part of gambling or to make gambling possible.

"Gambling equipment" includes, but is limited to:

~~(1)~~ ~~Amusement games;~~

~~(2)~~ (1) Punch boards and pull-tabs;

~~(3)~~ (2) Devices for dispensing pull-tabs;

~~(4)~~ (3) Electronic devices for conducting, facilitating, or accounting for the results of gambling activities, including, but not limited to:

(a) Components of a tribal lottery system;

(b) Electronic devices for reading and displaying outcomes of gambling activities; and

(c) Accounting systems that are a part of, or directly connected to, a gambling system including, but not limited to:

(i) Bet totalizers; or

(ii) Progressive jackpot meters; or

(iii) Keno systems;

~~(5)~~ (4) Bingo equipment;

~~(6)~~ (5) Devices and supplies used to conduct card

games, fund- raising events, recreational gaming activities, or Class III gaming activities, as defined in the Indian Gaming Regulatory Act at U.S.C. 25 chapter 29 § 2703 and in tribal-state compacts including, but not limited to:

- (a) Gambling chips;
- (b) Cards;
- (c) Dice;
- (d) Card shuffling devices;
- (e) Graphical game layouts for table games;
- (f) Ace finders or no-peek devices;
- (g) Roulette wheels;

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(h) Keno equipment; and  
(i) Tables manufactured exclusively for gambling purposes. [Statutory Authority: RCW **9.46.070**. WSR 06-07-157 (Order 457), § 230-03-200, filed 3/22/06, 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.

**From:** [Griffin, Tina \(GMB\)](#)  
**Subject:** Notice to Rulemaking - New Petitions Received  
**Date:** Sunday, June 26, 2016 12:01:11 PM

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We have received three petitions for rule changes to change definitions related to amusement games. The petitions are posted on our website and can be viewed by clicking on this [link](#). These petitions will be Up for Discussion and Possible Filing at the July 14, 2016, Commission meeting, which will be held at:

Red Lion Seattle Airport  
18220 International Blvd.  
Seattle, WA 98188 [MAP](#)  
(206) 246-5535

The agenda for the meeting will be posted on our website approximately one week before the meeting. If you would like to provide comments on these petitions *prior* to the Commission meeting, please email your comments to [RulesCoordinator@wsgc.wa.gov](mailto:RulesCoordinator@wsgc.wa.gov) by **noon on Friday, July 1, 2016**. Thank you.

**Budget Proviso**

**SECOND ENGROSSED SUBSTITUTE HOUSE BILL 2376**

**FOR THE GAMBLING COMMISSION**

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

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- (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.



## HOUSE-BANKED PUBLIC CARD ROOM REPORT

| Current House- Banked Locations Operating |                   |                          |                         | 50     |          |           |  |
|---|-------------------|--------------------------|-------------------------|--------|----------|-----------|--|
| Licensee                                  | City              | Commission Approval Date | License Expiration Date | Tables | Org #    | License # |  |
| ACES CASINO ENTERTAINMENT                 | SPOKANE           | Mar 13, 2014             | Dec 31, 2016            | 7      | 00-23112 | 67-00325  |  |
| ALL STAR CASINO                           | SILVERDALE        | Jan 14, 1999             | Jun 30, 2016            | 15     | 00-18357 | 67-00058  |  |
| BLACK PEARL RESTAURANT & CARD ROOM        | SPOKANE VALLEY    | Jan 10, 2013             | Sep 30, 2016            | 15     | 00-22440 | 67-00321  |  |
| BUZZ INN STEAKHOUSE/EAST WENATCHEE        | EAST WENATCHEE    | Oct 10, 2002             | Dec 31, 2016            | 10     | 00-11170 | 67-00183  |  |
| CARIBBEAN CARDROOM                        | KIRKLAND          | Aug 13, 2009             | Mar 31, 2017            | 7      | 00-21882 | 67-00285  |  |
| CASINO CARIBBEAN                          | YAKIMA            | Mar 14, 2002             | Dec 31, 2016            | 15     | 00-17603 | 67-00093  |  |
| CASINO CARIBBEAN                          | KIRKLAND          | Nov 15, 2005             | Sep 30, 2016            | 15     | 00-20427 | 67-00238  |  |
| CHIPS CASINO/LAKEWOOD                     | LAKEWOOD          | Apr 8, 1999              | Dec 31, 2016            | 12     | 00-17414 | 67-00020  |  |
| CLEARWATER SALOON & CASINO                | EAST WENATCHEE    | Apr 9, 2015              | Dec 31, 2016            | 9      | 00-23386 | 67-00328  |  |
| CLUB HOLLYWOOD CASINO                     | SHORELINE         | Sep 9, 2010              | Jun 30, 2016            | 15     | 00-22132 | 67-00303  |  |
| COYOTE BOB'S CASINO                       | KENNEWICK         | Jul 10, 2009             | Mar 31, 2017            | 12     | 00-21848 | 67-00282  |  |
| CRAZY MOOSE CASINO II/MOUNTLAKE TERRACE   | MOUNTLAKE TERRACE | Jul 10, 2009             | Mar 31, 2017            | 15     | 00-21849 | 67-00283  |  |
| CRAZY MOOSE CASINO/PASCO                  | PASCO             | Jul 10, 2009             | Mar 31, 2017            | 15     | 00-21847 | 67-00281  |  |
| FORTUNE CASINO                            | TUKWILA           | Oct 8, 2015              | Aug 31, 2016            | 12     | 00-23465 | 67-00329  |  |
| FREDDIE'S CLUB                            | RENTON            | Jan 8, 2015              | Sep 30, 2016            | 15     | 00-23339 | 67-00327  |  |
| GOLDIE'S SHORELINE CASINO                 | SHORELINE         | May 13, 1999             | Dec 31, 2016            | 15     | 00-17610 | 67-00016  |  |
| GREAT AMERICAN CASINO/EVERETT             | EVERETT           | Nov 12, 1998             | Dec 31, 2016            | 15     | 00-19513 | 67-00194  |  |
| GREAT AMERICAN CASINO/LAKEWOOD            | LAKEWOOD          | Aug 14, 2003             | Jun 30, 2016            | 15     | 00-19258 | 67-00184  |  |
| GREAT AMERICAN CASINO/TUKWILA             | TUKWILA           | Jan 15, 1998             | Sep 30, 2016            | 15     | 00-12554 | 67-00012  |  |
| HAWKS PRAIRIE CASINO                      | LACEY             | Jul 12, 2001             | Jun 30, 2016            | 15     | 00-17579 | 67-00091  |  |
| IRON HORSE CASINO                         | AUBURN            | Jan 9, 2003              | Dec 31, 2016            | 15     | 00-19477 | 67-00192  |  |
| JOKER'S CASINO SPORTS BAR & FIESTA CD RM  | RICHLAND          | Nov 12, 1998             | Dec 31, 2016            | 11     | 00-15224 | 67-00006  |  |

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**Current House- Banked Locations Operating**

**50**

| Licensee                         | City              | Commission Approval Date | License Expiration Date | Tables | Org #    | License # |
|----------------------------------|-------------------|--------------------------|-------------------------|--------|----------|-----------|
| LANCER LANES/REST AND CASINO     | CLARKSTON         | Nov 13, 2008             | Sep 30, 2016            | 9      | 00-21681 | 67-00276  |
| LAST FRONTIER                    | LA CENTER         | Feb 11, 1999             | Sep 30, 2016            | 15     | 00-11339 | 67-00055  |
| LILAC LANES & CASINO             | SPOKANE           | Jul 12, 2007             | Jun 30, 2016            | 12     | 00-21305 | 67-00267  |
| LUCKY 21 CASINO                  | WOODLAND          | Oct 8, 2013              | Jun 30, 2016            | 15     | 00-22918 | 67-00322  |
| LUCKY BRIDGE CASINO              | KENNEWICK         | Feb 13, 2014             | Dec 31, 2016            | 15     | 00-23082 | 67-00324  |
| MACAU CASINO                     | TUKWILA           | Jan 12, 2012             | Sep 30, 2016            | 15     | 00-22573 | 67-00319  |
| MACAU CASINO                     | LAKEWOOD          | Jul 12, 2007             | Mar 31, 2017            | 15     | 00-20428 | 67-00239  |
| NEW PHOENIX                      | LA CENTER         | Mar 12, 1998             | Mar 31, 2017            | 14     | 00-12650 | 67-00005  |
| NOB HILL CASINO                  | YAKIMA            | Sep 12, 2001             | Dec 31, 2016            | 7      | 00-13069 | 67-00173  |
| PALACE CASINO LAKEWOOD           | LAKEWOOD          | Jan 14, 1999             | Dec 31, 2016            | 15     | 00-16542 | 67-00028  |
| PALACE TUKWILA                   | TUKWILA           |                          | Sep 30, 2016            | 7      | 00-23304 | 67-00333  |
| PAPAS CASINO RESTAURANT & LOUNGE | MOSES LAKE        | Aug 13, 1998             | Jun 30, 2016            | 12     | 00-02788 | 67-00004  |
| RC'S                             | SUNNYSIDE         | Nov 18, 2004             | Sep 30, 2016            | 9      | 00-20298 | 67-00232  |
| RED DRAGON CASINO                | MOUNTLAKE TERRACE | Aug 11, 2011             | Jun 30, 2016            | 10     | 00-22459 | 67-00315  |
| RIVERSIDE CASINO                 | TUKWILA           | Aug 14, 2003             | Jun 30, 2016            | 15     | 00-19369 | 67-00187  |
| ROMAN CASINO                     | SEATTLE           | Feb 10, 2000             | Mar 31, 2017            | 15     | 00-17613 | 67-00057  |
| ROXY'S BAR & GRILL               | SEATTLE           | Nov 18, 2004             | Jun 30, 2016            | 12     | 00-20113 | 67-00231  |
| ROYAL CASINO                     | EVERETT           | Sep 9, 2010              | Jun 30, 2016            | 15     | 00-22130 | 67-00301  |
| SILVER DOLLAR CASINO/MILL CREEK  | BOTHELL           | Sep 9, 2010              | Jun 30, 2016            | 15     | 00-22131 | 67-00302  |
| SILVER DOLLAR CASINO/RENTON      | RENTON            | Sep 9, 2010              | Jun 30, 2016            | 15     | 00-22134 | 67-00305  |
| SILVER DOLLAR CASINO/SEATAC      | SEATAC            | Sep 9, 2010              | Jun 30, 2016            | 15     | 00-22128 | 67-00299  |
| SLO PITCH PUB & EATERY           | BELLINGHAM        | Aug 12, 1999             | Jun 30, 2016            | 9      | 00-16759 | 67-00038  |
| THE GETAWAY CASINO               | WALLA WALLA       | Mar 11, 2016             | Jun 30, 2016            | 8      | 00-23485 | 67-00332  |
| THE PALACE                       | LA CENTER         | Apr 9, 1998              | Jun 30, 2016            | 15     | 00-16903 | 67-00010  |
| UBET CASINO                      | LONGVIEW          | Oct 8, 1998              | Jun 30, 2016            | 11     | 00-17449 | 67-00039  |
| WILD GOOSE CASINO                | ELLENSBURG        | Apr 8, 2004              | Dec 31, 2016            | 7      | 00-20009 | 67-00212  |

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| <b>Current House- Banked Locations Operating</b> |         |                          |                         | <b>50</b> |          |           |
|--|---------|--------------------------|-------------------------|-----------|----------|-----------|
| Licensee   | City    | Commission Approval Date | License Expiration Date | Tables    | Org #    | License # |
| WIZARDS CASINO                                   | BURIEN  | Feb 11, 2010             | Dec 31, 2016            | 15        | 00-21998 | 67-00287  |
| Z'S RESTAURANT AT ZEPPOZ                         | PULLMAN | Nov 13, 2008             | Mar 31, 2017            | 6         | 00-18777 | 67-00209  |

| <b>Applications Pending</b> |         |                          |                         | <b>1</b> |          |           |
|-----------------------------|---------|--------------------------|-------------------------|----------|----------|-----------|
| Licensee                    | City    | Commission Approval Date | License Expiration Date | Tables   | Org #    | License # |
| BEACH CASINO                | SEATTLE |                          |                         | 15       | 00-23560 | 67-00330  |

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# Washington State Gambling Commission

## Pre-Licensing Report

### House-Banked Public Card Rooms

#### Part I Licensing/Organization Information

|   |   |
|---|---|
| <b>Type of Approval</b><br>House-Banked Card Room | <b>Premises/Trade Name/Address</b><br>Palace Tukwila<br>14027 Interurban Ave S<br>Tukwila, WA 98168 |
| <b>Date of Application</b><br>November 23, 2015   |   |

#### APPLICANT INFORMATION

|   |  |   |
|---|--|---|
| <b>Name</b><br>TUK Gaming, LLC                                | <b>License Application #</b><br>00-23304 | <b>Business Phone #</b><br>(425) 282-4172   |
| <b>Address</b><br>8200 Tacoma Mall Blvd<br>Lakewood, WA 98499 |  | <b>Liquor License:</b><br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

#### ACTIVE LICENSES ISSUED BY GAMBLING COMMISSION

| Description/Class                  | Exp. Date  | License Number(s) |
|------------------------------------|------------|-------------------|
| House-Banked Card Room - 7 tables  | 09/30/2016 | 67-00333          |
| Punch board/Pull-tab Class A       | 09/30/2016 | 05-21296          |
| Commercial Amusement Games Class A | 09/30/2016 | 53-21393          |

#### COMMISSION STAFF

|  |   |
|--|---|
| <b>Licensing Specialist</b><br>Isabel Corrigan, Licensing Unit | <b>Special Agents</b><br>Donna Khanhasa, Licensing Unit<br>Kevin Maxwell, Regulatory Unit |
|--|---|

### Background/Structure

#### General Information:

On November 3, 2014, TUK Gaming, LLC, doing business as Palace Tukwila, was received as a class A punch board/pull-tab and 10 table F-endorsed card room licenses. On November 23, 2015, they applied for a 10 table house-banked card room license, which they later amended to 7 tables. On December 7, 2015, they received their class A commercial amusement game license.

#### Ownership Information:

##### TUK Gaming, LLC ("Palace Tukwila")

| Title     | Name                    | Ownership % | Units of Ownership |
|-----------|-------------------------|-------------|--------------------|
| Owner     | Puget Sound Gaming, LLC | 100%        | N/A                |
| President | Monty Harmon            | 0%          | N/A                |
| Treasurer | Kathy Dirks             | 0%          | N/A                |
| Secretary | Leonard Libin           | 0%          | N/A                |

##### Puget Sound Gaming, LLC

| Title     | Name                    | Ownership % | Units of Ownership |
|-----------|-------------------------|-------------|--------------------|
| Owner     | Washington Gaming, Inc. | 100%        | N/A                |
| President | Monty Harmon            | 0%          | N/A                |
| Treasurer | Kathy Dirks             | 0%          | N/A                |

**Washington Gaming, Inc.**

| Title     | Name                  | Ownership % | Units of Ownership |
|-----------|-----------------------|-------------|--------------------|
| Owner     | Evergreen Gaming Corp | 100%        | 13,345             |
| President | Monty Harmon          | 0%          | 0                  |
| Treasurer | Kathy Dirks           | 0%          | 0                  |

**Evergreen Gaming Corporation\***

(Publicly traded. Ownership will not add up to 100%. Only substantial interest holders are listed.)

| Title       | Name  | Ownership %   | Units of Ownership |
|-------------|---|---------------|--------------------|
| Chairman    | Leonard Libin   | 0.0%          | 0                  |
| Stockholder | Grand Casino Equipment and Management   | 12.2%         | 15,162,015         |
| Stockholder | Libin REIT  | 12.0%         | 15,010,045         |
| President   | Monty Harmon  | 0.2%          | 259,214            |
| Treasurer   | Kathy Dirks   | 0.0%          | 0                  |
| Stockholder | Michels Development   | 8.8%          | 11,000,000         |
| Director    | Laurence Smith  | 0.0%          | 0                  |
| Director    | Larry Hoff  | 0.0%          | 0                  |
| Stockholder | Thomas Marvin   | 9.0%          | 11,250,000         |
| Stockholder | Janet Buzard  | 1.6%          | 1,958,000          |
| Stockholder | Janet Buzard Voting Trust -<br>Trustees Steve Michels (28.7%) and Tom<br>Marvin (6.2) | 34.9%         | 43,545,822         |
|             | Other individuals with <5% ownership  | <u>23.1%</u>  | 27,840,983         |
|             |   | <u>100.0%</u> |                    |

**Other Licensed Affiliates:**

Evergreen Gaming Corporation owns and operates four other house-banked card rooms: Chips Casino Lakewood, Palace Casino Lakewood, Goldie's Shoreline Casino, and Riverside Casino.

**Part II****Licensing Investigations Summary**

Special Agents from the Commission's Licensing Unit conducted criminal records investigations and financial investigations focusing on funding sources and beneficiaries for suitability in accordance with RCW 9.46 and WAC 230. The investigations found:

- No unreported people or businesses involved (i.e. substantial interest holders);
- No undisclosed ownership or involvement in other activities/businesses;
- All funding sources were disclosed; and
- All substantial interest holders qualify.

A complete inspection and review was conducted of the accounting records, bank statements, contracts and agreements of Palace Tukwila at their premises in Tukwila, Washington. Agents also verified the funding sources, reviewed the financial records, discussed licensing requirements, and interviewed key personnel about the company. In addition, staff conducted background investigations on the owners of the real property.

**Source of Funds:**

This business was funded by contributions from its parent company, Puget Sound Gaming, LLC, which originally came from cash from operations of affiliated card rooms.

**Part III**  
**Pre-Operational Review and Evaluation Summary**

Special Agents from the Commission's Regulatory Unit completed an on-site Pre-Operational Review and Evaluation (PORE). The purpose of the PORE is to determine that the gambling operation complies with the requirements of RCW 9.46 and WAC 230. The review found that the following are in compliance:

- Nature, size, and scope of gambling operations;
- Regulations for the operation and management of gambling;
- Forms and recordkeeping;
- Surveillance and security; and
- Internal controls for surveillance, security, accounting, and gambling.

The applicant proposes to operate the following games:

- 2 – Spanish 21
- 2 – Emperor's Challenge Bonus
- 1 – High Card Flush Bonus
- 1 – Lucky Lady Bust Bonus
- 1 – Ultimate Texas Hold 'em Progressive

**Part IV**  
**Staff Recommendations**

Based upon the licensing investigation and the PORE, staff recommends licensing TUK Gaming, LLC, doing business as Palace Tukwila as a house-banked card room to operate up to 7 tables in accordance with the wagering limits of WAC 230-15-140.

**Prepared By**

Tina Griffin, Assistant Director  
Licensing, Regulation and Enforcement  
Division

**Signature**



**Date**

May 26, 2014





COMMISSION APPROVAL LIST  
(New Licenses & Class III Gaming Employees)

July 2016

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Based upon the licensing investigations, staff recommends approving all new Licenses and Class III employees listed on pages 1 to 29.



ORGANIZATION NAME

FILE NUMBER

PREMISES LOCATION

**NEW APPLICATIONS****BINGO**

FOE 03144  
00-00701 01-00556 A

KENNEWICK GENERAL HOSPITAL AUX  
00-23682 01-02721 B

ST. CECILLA CATHOLIC CHURCH  
00-23708 01-02722 A

18134 VASHON HWY SW  
VASHON WA 98070

900 S AUBURN  
KENNEWICK WA 99336

26900 78TH AVE NW  
STANWOOD WA 98292

**RAFFLE**

AUBURN YOUTH SOCCER ASSOCIATION  
00-23328 02-09684 D

BAINBRIDGE ISLAND MUSEUM OF ART  
00-23726 02-09692 C

BELLEVUE SCHOOLS FOUNDATION  
00-14670 02-09679 B

BPOE 02524  
00-04385 02-09694 B

COMBAT VETERANS MOTORCYCLE ASSOCIATION CHAPT  
00-23707 02-09680 A

DUCKS UNLIMITED/MARYSVILLE  
00-23141 02-09370 C

DUVALL CHAMBER OF COMMERCE  
00-23689 02-09668 A

EMERGENCY FOOD NTWK OF TACOMA & PIERCE CO  
00-23256 02-09669 B

FRIENDS OF FIRE DISTRICT 10  
00-23701 02-09675 A

GATHER 4 HIM CHRISTIAN  
00-23674 02-09664 C

HOQUIAM BUSINESS ASSOC  
00-23727 02-09693 C

LAW ENFORCEMENT ASSOCIATION OF SW WASHINGTON  
00-23711 02-09683 A

328 37TH ST NW STE A  
AUBURN WA 98001

550 WINSLOW WAY E  
BAINBRIDGE ISLAND WA 98110

12241 MAIN ST BLDG 5  
BELLEVUE WA 98005

941 MERCHANT RD  
FORKS WA 98331

8740 PINELLE RD  
SEDRO WOOLLEY WA 98284

16710 SMOKEY POINT BLVD  
ARLINGTON HEIGHTS WA 98223

P.O. BOX 581  
DUVALL WA 98019

3318 92ND ST S  
LAKEWOOD WA 98499

2572 SMACKOUT RD  
COLVILLE WA 99114

929 AARON DR  
RICHLAND WA 99352

603 G ST  
COSMOPOLIS WA 98537

119 SALMON CREEK RD E  
MOSSYROCK WA 98564

ORGANIZATION NAME

FILE NUMBER

PREMISES LOCATION

**NEW APPLICATIONS****RAFFLE**

NORTHWEST WESTERN SWING MUSIC SOCIETY  
00-23732 02-09697 A

21221 174TH AVE SE  
RENTON WA 98058

OAKESDALE LODGE #55 F&AM  
00-23705 02-09678 B

7402 OAKESDALE RD  
OAKESDALE WA 99158

ROOSEVELT ELEMENTARY PTO  
00-23695 02-09673 B

106 MONROE ROAD  
PORT ANGELES EAST WA 98362

ROTARY CLUB/KIRKLAND DOWNTOWN FNDN  
00-22609 02-09150 D

11200 KIRKLAND WAY  
KIRKLAND WA 98033

SEATTLE AQUARIUM SOCIETY  
00-15841 02-08367 C

1483 ALASKAN WAY PIER 59  
SEATTLE WA 98101

SNOHOMISH LACROSSE CLUB  
00-23690 02-09670 C

P.O. BOX 1068  
SNOHOMISH WA 98291

SUNRISE ELEMENTARY PTA 6.10.42  
00-22676 02-09174 B

14075 172ND AVE NE  
REDMOND WA 98052

USVEMG  
00-23702 02-09676 A

7521 FERN AVE SE  
SNOQUALMIE WA 98065

WA STATE YOUTH SOCCER ASSOCIATION  
00-23703 02-09677 C

7100 FORT DENT WAY STE 215  
TUKWILA WA 98188

WASHINGTON YOUTH ACADEMY FOUNDATION  
00-23721 02-09688 C

1207 CARVER ST W  
BREMERTON WA 98312

YMCA OF THE INLAND NORTHWEST  
00-23348 02-09508 C

1126 N MONROE  
SPOKANE WA 99201

**PUNCHBOARD/PULL-TAB COMMERCIAL STIMULANT**

CRAVE EAT DRINKS NIGHTLIFE  
00-23667 05-21414 A

401 W RIVERSIDE  
SPOKANE WA 99201

HARVEST MOON RESTAURANT  
00-23671 05-21416 C

20 S 1ST ST  
ROCKFORD WA 99030

HEADWATERS PUB & PIZZA  
00-23688 05-21420 B

21328 STATE HWY 207  
LEAVENWORTH WA 98826

HERB'S BAR & GRILL  
00-23659 05-21412 A

132 DIVISION ST  
GRANDVIEW WA 98930

ORGANIZATION NAME

FILE NUMBER

PREMISES LOCATION

**NEW APPLICATIONS****PUNCHBOARD/PULL-TAB COMMERCIAL STIMULANT**

HONG KONG GARDEN RESTAURANT  
00-23709 05-21423 A

2501 COMMERCIAL AVE  
ANACORTES WA 98221

KNOTTY PINE  
00-23590 05-21388 A

201 E DOCK ST  
WESTPORT WA 98595

POOLE'S PUBLIC HOUSE  
00-23650 05-21406 A

101 E HASTING ST A & B  
SPOKANE WA 99218

POOLE'S PUBLIC HOUSE SOUTH  
00-23651 05-21407 A

5620 S REGAL ST 1-4  
SPOKANE WA 99223

SCOTTY'S  
00-23675 05-21417 B

215 N MERIDIAN ST  
PUYALLUP WA 98371

SPORTY'S  
00-23683 05-21419 J

507 E BROADWAY AVE  
MOSES LAKE WA 98837

UNION SQUARE  
00-23677 05-21418 A

1132 WASHINGTON WAY  
LONGVIEW WA 98632

**COMBINATION LICENSE**

SPIRITRIDGE ELEMENTARY PTSA 653.85  
00-23261 08-00288 A

16401 SE 24TH ST  
BELLEVUE WA 98008

**SERVICE SUPPLIER LICENSE \***

NW TEL LLC  
00-23685 26-00338

2114 RIVERSIDE DR  
MOUNT VERNON WA 98273

**COMMERCIAL AMUSEMENT GAMES**

CLIFFORD & MARTIN INC  
00-23699 53-21459 B

3575 CRATES WAY  
THE DALLES OR 97058

DENNY'S #8855  
00-23714 53-21464 A1

418 W HERON ST  
ABERDEEN WA 98520

DENNY'S 6351  
00-23713 53-21463 A1

2202 SR 530 NE  
ARLINGTON WA 98223

ORGANIZATION NAME

FILE NUMBER

PREMISES LOCATION

**NEW APPLICATIONS**

**COMMERCIAL AMUSEMENT GAMES**

INFERNO'S BRICK OVEN PIZZA  
00-21518 53-21465 A1

111 TUMWATER BLVD SE STE A110  
TUMWATER WA 98501

INFERNO'S BRICK OVEN PIZZA  
00-22303 53-21466 A1

8825 TALON LN NE STE I  
LACEY WA 98516

**PUBLIC CARD ROOM (65)**

FORTUNE POKER  
00-23541 65-07446 F15

3650 EAST VALLEY RD  
RENTON WA 98057

HARVEST MOON RESTAURANT  
00-23671 65-07459 D

20 S 1ST ST  
ROCKFORD WA 99030

**PUBLIC CARDROOM - HOUSE BANKED**

PALACE TUKWILA  
00-23304 67-00333 7

14027 INTERURBAN AVE S  
TUKWILA WA 98168

**COMMERCIAL AMUSEMENT GAMES**

PERSON'S NAME EMPLOYER'S NAME

EMPLOYER'S NAME

LICENSE ISSUE NUMBER PREMISES LOCATION

PREMISES LOCATION

**NEW APPLICATIONS****DISTRIBUTOR REPRESENTATIVE**CASTANEDA-CORTES, ADAN  
22-01224ADVANCED GAMING ASSOCIATES  
HAMMONTON NJ 08037FOLKS, MICHAEL W  
22-01225ADVANCED GAMING ASSOCIATES  
HAMMONTON NJ 08037MARTINEZ, MANUEL L  
22-01193NRT TECHNOLOGIES INC  
LAS VEGAS NV 89118**MANUFACTURER REPRESENTATIVE**BECKSTEIN, EAN S  
23-02260IGT  
LAS VEGAS NV 89113BURR, JOHN W  
23-02254BALLY TECHNOLOGIES  
LAS VEGAS NV 89118CHELLMAN, WILLIAM R  
23-02241IGT  
LAS VEGAS NV 89113CHILUPURU, SATISH KUMAR  
23-02248IGT  
LAS VEGAS NV 89113CONDURACHE, GHEORGHE C  
23-02251ROCKET GAMING SYSTEMS LLC  
GROVE OK 74344-6251DEIORIO, ELIZABETH A  
23-02039IGT  
LAS VEGAS NV 89113DOWNARD, NATHAN W  
23-02245BALLY TECHNOLOGIES  
LAS VEGAS NV 89118GARCIA, JUSTIN J  
23-02257ROCKET GAMING SYSTEMS LLC  
GROVE OK 74344-6251GLADFELDER, RICHARD L  
23-02255IGT  
LAS VEGAS NV 89113GREEN, MARCOS A  
23-02249IGT  
LAS VEGAS NV 89113HA, NATHAN R  
23-02259IGT  
LAS VEGAS NV 89113HAAS, KENNETH G  
23-02246IGT  
LAS VEGAS NV 89113

PERSON'S NAME

EMPLOYER'S NAME

LICENSE ISSUE NUMBER

PREMISES LOCATION

**NEW APPLICATIONS**

**MANUFACTURER REPRESENTATIVE**

KANKANAWADI, JYOTI M  
23-02247

IGT  
LAS VEGAS NV 89113

KUNZI, JASON E  
23-02258

IGT  
LAS VEGAS NV 89113

MARGESON, JULIE K  
23-02252

IGT  
LAS VEGAS NV 89113

MCBEE, ROBERT L III  
23-02250

ROCKET GAMING SYSTEMS LLC  
GROVE OK 74344-6251

MILLER, STEVEN C  
23-02263

DEQ  
LEVIS QC G6W 5M6

MOSSMAN, ZACHARY P  
23-02261

BALLY TECHNOLOGIES  
LAS VEGAS NV 89118

ROBINS, BRANDON L  
23-02243

ROCKET GAMING SYSTEMS LLC  
GROVE OK 74344-6251

SEXTON, JOSHUA W  
23-02256

XPERTX  
RENO NV 89511

DEMULAPALLI, ANWESH  
23-02262

IGT  
LAS VEGAS NV 89113

WASEEM, SAAD  
23-02244

NRT TECHNOLOGY  
CANADA NA M1S5R3

WENIG, JOHN P  
23-02253

BALLY TECHNOLOGIES  
LAS VEGAS NV 89118

**NON-PROFIT GAMBLING MANAGER**

ALLEN, MARJORY A  
61-04594

AMERICAN LEGION 00097  
BREWSTER WA 98812

BASIL, VIRGINIA A  
61-04603

BPOE 01292  
RAYMOND WA 98577

BROUGH, CIARA C  
61-04596

VFW 02455  
MONTESANO WA 98563

CAUDILL, KENNETH N  
61-04599

FOE 00002  
SPOKANE WA 99208

PERSON'S NAME EMPLOYER'S NAME

LICENSE ISSUE NUMBER PREMISES LOCATION

EMPLOYER'S NAME

PREMISES LOCATION

**NEW APPLICATIONS****NON-PROFIT GAMBLING MANAGER**DOHERTY, DOUGLAS R  
61-04598GIPSON, RUBY G  
61-04593MEIER, DIXIE  
61-03958POER, DONICA E  
61-04592POWELL, DAWN D  
61-04602RAY, DYLAN A  
61-04595RUBIO, ROBBI L  
61-04601ROCKY MOUNTAIN ELK FOUNDATION  
BILLINGS MT 59106FOE 02809  
GIG HARBOR WA 98332FOE 03523  
BURIEN WA 9816640 & 8 00099  
VANCOUVER WA 98665AMERICAN LEGION 00072  
CHENEY WA 99004FOE 01555  
KELSO WA 98626LOOM 01925  
QUINCY WA 98848**SERVICES SUPPLIER REPRESENTATIVE**EDDY, CRAIG J  
63-00626JOHNSON, CORY M  
63-00624LANDON, GREGORY B  
63-00600NAPOLEON, HIAWATHA  
63-00625RAYEVICH, TOMMY W  
63-00623SOMERS, ROBERT P  
63-00628NORTH AMERICAN VIDEO  
BRICK NJ 08723GAMING LABORATORIES INTERNATIO  
LAKEWOOD NJ 08701NORTH AMERICAN VIDEO  
BRICK NJ 08723NORTH AMERICAN VIDEO  
BRICK NJ 08723TECHNICAL SECURITY INTEGRATION  
LAKE STEVENS WA 98258NORTH AMERICAN VIDEO  
BRICK NJ 08723**PUBLIC CARD ROOM EMPLOYEE**ABODUL, AZIZ Y  
68-33570

B

WIZARDS CASINO  
BURIEN WA 98166-2524

PERSON'S NAME  
 LICENSE ISSUE NUMBER

EMPLOYER'S NAME  
 PREMISES LOCATION

**NEW APPLICATIONS**

**PUBLIC CARD ROOM EMPLOYEE**

ATOUM, RAMI Z  
 68-33502 B

AZZARO, AUTUMN R  
 68-33519 B

BEST, TRAVUS R  
 68-33490 B

BINGMAN, CURTIS J  
 68-33531 B

BLACKWELDER, CALEB L  
 68-33544 B

BREIDENBRUCH, MANFRED J  
 68-33560 B

BRORNH, SOKVEASNA  
 68-33521 B

BROWN, COURTNEY V  
 68-33549 B

BROWN, PATRICK R  
 68-33553 B

BURGE, MICHAEL D  
 68-33516 B

BURNS MITCHELL, KELLI L  
 68-18452 B

CALOBEER, BRET K  
 68-33566 B

CAUFIELD, TAMI A  
 68-33486 B

CAVALIER, ANTHONY S  
 68-33559 B

CHAIRES, JOSE A  
 68-33555 B

CHAN, ROEUN  
 68-33520 B

WIZARDS CASINO  
 BURIEN WA 98166-2524

UBET CASINO  
 LONGVIEW WA 98632-3024

LANCER LANES/REST AND CASINO  
 CLARKSTON WA 99403-2219

PAPAS CASINO RESTAURANT & LOUNGE  
 MOSES LAKE WA 98837

RIVERSIDE CASINO  
 TUKWILA WA 98168

CASINO CARIBBEAN  
 YAKIMA WA 98901

PALACE TUKWILA  
 TUKWILA WA 98168

LUCKY BRIDGE CASINO  
 KENNEWICK WA 99336

CARIBBEAN CARDROOM  
 KIRKLAND WA 98034

JOKER'S CASINO SPORTS BAR & FIEST  
 RICHLAND WA 99352-4122

COYOTE BOB'S CASINO  
 KENNEWICK WA 99336

CRAZY MOOSE CASINO/PASCO  
 PASCO WA 99301

JOKER'S CASINO SPORTS BAR & FIEST  
 RICHLAND WA 99352-4122

CHIPS CASINO/LAKEWOOD  
 LAKEWOOD WA 98499

CRAZY MOOSE CASINO/PASCO  
 PASCO WA 99301

MACAU CASINO  
 TUKWILA WA 98188-2437

PERSON'S NAME EMPLOYER'S NAME

LICENSE ISSUE NUMBER PREMISES LOCATION

EMPLOYER'S NAME

PREMISES LOCATION

## NEW APPLICATIONS

## PUBLIC CARD ROOM EMPLOYEE

CHEN, XUE F  
68-30147 B

CHEUN, AUN  
68-09416 B

CHEUNG, ALAN D  
68-32241 B

CHHOUR, VOUNGHENG H  
68-17369 B

CONKLIN, NAKIA N  
68-33535 B

COVINGTON, BRANDON J  
68-24660 B

CUNNINGHAM, CAROL Y  
68-33557 B

CUNNINGHAM, PETER B  
68-33485 B

CURLEY, LEE M  
68-19344 B

DANIELSON, CONNOR W  
68-33569 B

DILBARYAN, KARO G  
68-33512 B

DUPLECHIN, COURTNEY J  
68-33479 B

ELEYET, BRYAN A  
68-33482 B

FALCONER, RYAN T  
68-33506 B

FERGUSON, HEATHER L  
68-33481 B

FRAZIER, ADAM C  
68-33539 B

RIVERSIDE CASINO  
TUKWILA WA 98168

FORTUNE CASINO  
TUKWILA WA 98168

FORTUNE POKER  
RENTON WA 98057

IRON HORSE CASINO  
AUBURN WA 98002

ACES CASINO ENTERTAINMENT  
SPOKANE WA 99208

LILAC LANES & CASINO  
SPOKANE WA 99208-7393

BUZZ INN STEAKHOUSE/EAST WENAT  
EAST WENATCHEE WA 98802

CLEARWATER SALOON & CASINO  
EAST WENATCHEE WA 98802

ALL STAR CASINO  
SILVERDALE WA 98383

LUCKY 21 CASINO  
WOODLAND WA 98674

CASINO CARIBBEAN  
KIRKLAND WA 98034

FORTUNE CASINO  
TUKWILA WA 98168

LILAC LANES & CASINO  
SPOKANE WA 99208-7393

PAPAS CASINO RESTAURANT & LOUN  
MOSES LAKE WA 98837

LUCKY 21 CASINO  
WOODLAND WA 98674

GOLDIE'S SHORELINE CASINO  
SHORELINE WA 98133

PERSON'S NAME  
 LICENSE ISSUE NUMBER

EMPLOYER'S NAME  
 PREMISES LOCATION

**NEW APPLICATIONS**

**PUBLIC CARD ROOM EMPLOYEE**

GARCIA, JOSE N JR  
 68-33550 B

GENIS, DANIEL J  
 68-03126 B

GOEHNER, CHRISTINA J  
 68-25168 B

GOLDER, MICHELLE L  
 68-33511 B

GORNEY, JESSE A  
 68-24776 B

GRAY, CHELSEA R  
 68-33475 B

GRIFFIN, JUDY A  
 68-25910 B

GRONNEBEK, CHASITY N  
 68-33534 B

GUSTAFSON, ALLISON R  
 68-33558 B

HAGEN, CORTNEY M  
 68-33508 B

HAUFF, JOHN A  
 68-33536 B

HAWKINS, SARI  
 68-18685 B

HENDERSON, DIANE P  
 68-33528 B

HO, KIM T  
 68-13617 B

HO, PHONG Q  
 68-09965 B

HOWE, JENNIFER C  
 68-20451 B

ROYAL CASINO  
 EVERETT WA 98204

SILVER DOLLAR CASINO/RENTON  
 RENTON WA 98057

CHIPS CASINO/LAKEWOOD  
 LAKEWOOD WA 98499

GOLDIE'S SHORELINE CASINO  
 SHORELINE WA 98133

CRAZY MOOSE CASINO II/MOUNTLAK  
 MOUNTLAKE TERRACE WA 9804

CLEARWATER SALOON & CASINO  
 EAST WENATCHEE WA 98802

CARIBBEAN CARDROOM  
 KIRKLAND WA 98034

ACES CASINO ENTERTAINMENT  
 SPOKANE WA 99208

THE PALACE  
 LA CENTER WA 98629

GREAT AMERICAN CASINO/TUKWILA  
 TUKWILA WA 98168

ROXY'S BAR & GRILL  
 SEATTLE WA 98126

ACES CASINO ENTERTAINMENT  
 SPOKANE WA 99208

GOLDIE'S SHORELINE CASINO  
 SHORELINE WA 98133

RIVERSIDE CASINO  
 TUKWILA WA 98168

FORTUNE CASINO  
 TUKWILA WA 98168

WILD GOOSE CASINO  
 ELLENSBURG WA 98926

PERSON'S NAME  
 LICENSE ISSUE NUMBER

EMPLOYER'S NAME  
 PREMISES LOCATION

**NEW APPLICATIONS**

**PUBLIC CARD ROOM EMPLOYEE**

HUGGINS, BENTAE S  
 68-33529 B

IM, CHANTHA  
 68-33526 B

JAEKEL, ANDREW B  
 68-23662 B

JENKINS, MICHAEL D  
 68-13253 B

JOHNSON, BARRY C  
 68-26864 B

JOHNSON, JARED R  
 68-18676 B

KERL, REBECCA L  
 68-33474 B

KHA, LEON S  
 68-32755 B

KIRKLAND, CHRISTOPHER L  
 68-33541 B

KLEIN, HAYDEN T  
 68-33468 B

KLEINAU, CHRISTY L  
 68-33561 B

KOL, BUNCHANLEAKHENA  
 68-33548 B

KOZACHENKO, QUENTON L  
 68-33505 B

KRON, JASON D  
 68-33487 B

LE, THU D  
 68-33533 B

LEAL, JENNIFER L  
 68-17107 B

CHIPS CASINO/LAKEWOOD  
 LAKEWOOD WA 98499

ROXY'S BAR & GRILL  
 SEATTLE WA 98126

JOKER'S CASINO SPORTS BAR & FIEST  
 RICHLAND WA 99352-4122

LAST FRONTIER  
 LA CENTER WA 98629-0000

IRON HORSE CASINO  
 AUBURN WA 98002

LILAC LANES & CASINO  
 SPOKANE WA 99208-7393

THE HIDEAWAY  
 SHORELINE WA 98133-6524

CHIPS CASINO/LAKEWOOD  
 LAKEWOOD WA 98499

LUCKY BRIDGE CASINO  
 KENNEWICK WA 99336

WILD GOOSE CASINO  
 ELLENSBURG WA 98926

PALACE TUKWILA  
 TUKWILA WA 98168

PALACE TUKWILA  
 TUKWILA WA 98168

JOKER'S CASINO SPORTS BAR & FIEST  
 RICHLAND WA 99352-4122

JOKER'S CASINO SPORTS BAR & FIEST  
 RICHLAND WA 99352-4122

PALACE TUKWILA  
 TUKWILA WA 98168

THE GETAWAY CASINO  
 WALLA WALLA WA 99362

PERSON'S NAME  
 LICENSE ISSUE NUMBER

EMPLOYER'S NAME  
 PREMISES LOCATION

**NEW APPLICATIONS**

**PUBLIC CARD ROOM EMPLOYEE**

LIBRANDE, HAYLI D  
 68-22294 B

LINDBERG, RICHARD A  
 68-33497 B

LOPEZ, MATTHEW J  
 68-33543 B

LOWE, SELENA O  
 68-26824 B

MACKAY, SAMUEL A  
 68-33495 B

MANSUR, SHAWN E  
 68-17546 B

MCDONALD, KAREN A  
 68-33489 B

MCNUTT, JOHN H  
 68-26594 B

MOI, LAMAGA J  
 68-33538 B

NELSON, CHRISTINE M  
 68-30280 B

NGO, HOANG X  
 68-20424 B

NGUYEN, LYNN P  
 68-33480 B

NGUYEN, PATTY L  
 68-33567 B

NIDIFFER, DEREK R  
 68-18941 B

NORLING, DANA F  
 68-33540 B

NORMAN, JACOB C  
 68-33525 B

BLACK PEARL RESTAURANT & CARD  
 SPOKANE VALLEY WA 99206-471

ALL STAR CASINO  
 SILVERDALE WA 98383

COYOTE BOB'S CASINO  
 KENNEWICK WA 99336

FREDDIE'S CLUB  
 RENTON WA 98055

FORTUNE POKER  
 RENTON WA 98057

LUCKY 21 CASINO  
 WOODLAND WA 98674

CLEARWATER SALOON & CASINO  
 EAST WENATCHEE WA 98802

FORTUNE CASINO  
 TUKWILA WA 98168

SILVER DOLLAR CASINO/SEATAC  
 SEATAC WA 98188

FORTUNE POKER  
 RENTON WA 98057

LILAC LANES & CASINO  
 SPOKANE WA 99208-7393

GOLDIE'S SHORELINE CASINO  
 SHORELINE WA 98133

COYOTE BOB'S CASINO  
 KENNEWICK WA 99336

CASINO CARIBBEAN  
 YAKIMA WA 98901

PALACE TUKWILA  
 TUKWILA WA 98168

CASINO CARIBBEAN  
 YAKIMA WA 98901

PERSON'S NAME  
 LICENSE ISSUE NUMBER

EMPLOYER'S NAME  
 PREMISES LOCATION

**NEW APPLICATIONS**

**PUBLIC CARD ROOM EMPLOYEE**

ORM, CARL C  
 68-05422 B

PADILLA, ANTHONY J  
 68-15434 B

PEDERSON, COLLIN J  
 68-33554 B

PELLETIER, MATTHEW J  
 68-29169 B

PETERSON, MICHAEL D  
 68-33488 B

PETRAGALLO, NICKOLAS A  
 68-33492 B

PHOTHISANE, CASSANDRA M  
 68-33546 B

PIERCE, DARREN A  
 68-33507 B

PORTER, TERRI L  
 68-33562 B

PRASEUTH, PANYA  
 68-14169 B

PULLEN, DANIEL E  
 68-33517 B

RASH, KENNETH R  
 68-33491 B

RAYFIELD, WILLIAM B  
 68-33524 B

REYNOLDS, VINCENT M  
 68-19485 B

RICE, DWAYNE J  
 68-33523 B

RIOS ESPINDOLA, VICTOR M  
 68-33564 B

CHIPS CASINO/LAKEWOOD  
 LAKEWOOD WA 98499

CASINO CARIBBEAN  
 YAKIMA WA 98901

SILVER DOLLAR CASINO/RENTON  
 RENTON WA 98057

FREDDIE'S CLUB  
 RENTON WA 98055

JOKER'S CASINO SPORTS BAR & FIEST  
 RICHLAND WA 99352-4122

CRAZY MOOSE CASINO/PASCO  
 PASCO WA 99301

CASINO CARIBBEAN  
 YAKIMA WA 98901

UBET CASINO  
 LONGVIEW WA 98632-3024

WIZARDS CASINO  
 BURIEN WA 98166-2524

WIZARDS CASINO  
 BURIEN WA 98166-2524

GREAT AMERICAN CASINO/EVERETT  
 EVERETT WA 98204

FORTUNE POKER  
 RENTON WA 98057

CLEARWATER SALOON & CASINO  
 EAST WENATCHEE WA 98802

FORTUNE CASINO  
 TUKWILA WA 98168

RIVERSIDE CASINO  
 TUKWILA WA 98168

CRAZY MOOSE CASINO/PASCO  
 PASCO WA 99301

PERSON'S NAME  
 LICENSE ISSUE NUMBER

EMPLOYER'S NAME  
 PREMISES LOCATION

**NEW APPLICATIONS**

**PUBLIC CARD ROOM EMPLOYEE**

ROBINSON, EDWIN J  
 68-07402 B

ROLLER, THOMAS M  
 68-33537 B

ROS, MUTITA  
 68-33477 B

ROTH-SLATZER, ZHANNA M  
 68-33518 B

SAECHAO, CHIAB CHOY  
 68-33494 B

SANDELL, TAMARA L  
 68-25400 B

SAPP, PAUL V  
 68-26463 B

SCARR, TYLER J  
 68-33552 B

SCHLECHT, RANDALL S  
 68-07656 B

SCHRENK, WENZHEN  
 68-29763 B

SHYI, GORDON  
 68-33471 B

SIMS, CALVIN W JR  
 68-24993 B

SINICROPE, SOULINTHON P  
 68-33547 B

SMITH, DON A  
 68-29863 B

SOOTER, JUSTIN D  
 68-33514 B

STEWART, DARRELL L JR  
 68-33530 B

CHIPS CASINO/LAKEWOOD  
 LAKEWOOD WA 98499

ROYAL CASINO  
 EVERETT WA 98204

GOLDIE'S SHORELINE CASINO  
 SHORELINE WA 98133

UBET CASINO  
 LONGVIEW WA 98632-3024

FORTUNE POKER  
 RENTON WA 98057

ACES CASINO ENTERTAINMENT  
 SPOKANE WA 99208

IRON HORSE CASINO  
 AUBURN WA 98002

CLUB HOLLYWOOD CASINO  
 SHORELINE WA 98133

WIZARDS CASINO  
 BURIEN WA 98166-2524

RED DRAGON CASINO  
 MOUNTLAKE TERRACE WA 9804

CARIBBEAN CARDROOM  
 KIRKLAND WA 98034

GOLDIE'S SHORELINE CASINO  
 SHORELINE WA 98133

RED DRAGON CASINO  
 MOUNTLAKE TERRACE WA 9804

GREAT AMERICAN CASINO/TUKWILA  
 TUKWILA WA 98168

UBET CASINO  
 LONGVIEW WA 98632-3024

RIVERSIDE CASINO  
 TUKWILA WA 98168

PERSON'S NAME  
 LICENSE ISSUE NUMBER

EMPLOYER'S NAME  
 PREMISES LOCATION

**NEW APPLICATIONS**

**PUBLIC CARD ROOM EMPLOYEE**

STUDEMAN, MICHAEL G  
 68-33551 B

SUN, HOI Y  
 68-33509 B

TANGBORN, WYNITA M  
 68-09469 B

THOMAS, PRINTINCE  
 68-33556 B

THOMASSON, JOAN K  
 68-14607 B

THON, JASPER J  
 68-33504 B

TOOL, DILLON K  
 68-33565 B

TRAN, JANE  
 68-29581 B

TRAN, KELVIN  
 68-06895 B

TRAN, MYTIEN  
 68-33469 B

TRAN, NGOC BI N  
 68-08183 B

TREXLER, ERIC G  
 68-25745 B

TUI TELE, TEUILA P  
 68-33513 B

URBINA, CARLOS F  
 68-30794 B

VALOUEV, DMITRII V  
 68-18795 B

VAN, RANICA S  
 68-33522 B

BUZZ INN STEAKHOUSE/EAST WENAT  
 EAST WENATCHEE WA 98802

RIVERSIDE CASINO  
 TUKWILA WA 98168

RIVERSIDE CASINO  
 TUKWILA WA 98168

LILAC LANES & CASINO  
 SPOKANE WA 99208-7393

LUCKY BRIDGE CASINO  
 KENNEWICK WA 99336

Z'S RESTAURANT AT ZEPPOZ  
 PULLMAN WA 99163

CRAZY MOOSE CASINO/PASCO  
 PASCO WA 99301

MACAU CASINO  
 LAKEWOOD WA 98499

GOLDIE'S SHORELINE CASINO  
 SHORELINE WA 98133

RIVERSIDE CASINO  
 TUKWILA WA 98168

ROMAN CASINO  
 SEATTLE WA 98178

ALL STAR CASINO  
 SILVERDALE WA 98383

MACAU CASINO  
 LAKEWOOD WA 98499

LUCKY BRIDGE CASINO  
 KENNEWICK WA 99336

LAST FRONTIER  
 LA CENTER WA 98629-0000

PALACE TUKWILA  
 TUKWILA WA 98168

PERSON'S NAME  
LICENSE ISSUE NUMBER

EMPLOYER'S NAME  
PREMISES LOCATION

**NEW APPLICATIONS**

**PUBLIC CARD ROOM EMPLOYEE**

VANSLEET, KOSHLA K  
68-33467 B

WELLS, BRYAN E  
68-18010 B

WELLS, JOSEPH W  
68-33532 B

WHALEY, JOSHUA T  
68-33527 B

WILHELM, CHARLENA R  
68-30402 B

WILSON, ASHLEY L  
68-33473 B

WORKMAN, NOAH J  
68-33563 B

WORTHINGTON, ALYSSA L  
68-33470 B

WYNN, JOSHUA A  
68-24381 B

YANN-PHAN, SOUNG  
68-31645 B

YEUNG, HONG N  
68-33545 B

PALACE CASINO LAKEWOOD  
LAKEWOOD WA 98499-8434

FORTUNE POKER  
RENTON WA 98057

GOLDIE'S SHORELINE CASINO  
SHORELINE WA 98133

SLO PITCH PUB & EATERY  
BELLINGHAM WA 98225

BLACK PEARL RESTAURANT & CARD  
SPOKANE VALLEY WA 99206-471

CLEARWATER SALOON & CASINO  
EAST WENATCHEE WA 98802

JOKER'S CASINO SPORTS BAR & FIEST  
RICHLAND WA 99352-4122

Z'S RESTAURANT AT ZEPPOZ  
PULLMAN WA 99163

SILVER DOLLAR CASINO/RENTON  
RENTON WA 98057

PALACE TUKWILA  
TUKWILA WA 98168

LAST FRONTIER  
LA CENTER WA 98629-0000

PERSON'S NAME

LICENSE ISSUE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**CHEHALIS CONFEDERATED TRIBES**

BRENNEMAN, JOSHUAH L  
69-39772

BURGESS, MELISSA D  
69-39728

CAYWOOD, MELISSA S  
69-39820

DANIELS, HEATHER E  
69-39906

EDWARDS, CODY M  
69-39770

FOLEY, ANNABEL L  
69-39819

FOWLER, JAMES S  
69-39805

HALLIBURTON, KYLE R  
69-39640

MCLEOD, DEAN R  
69-39727

REYES-SANCHEZ, MONICA  
69-39726

RHYMES, KEYON L  
69-39993

RICE, BRIAN W  
69-39952

WEBER, GARY R  
69-32302

**COLVILLE CONFEDERATED TRIBES**

ANDREW, ELAYNE L  
69-29381

ANGULO, ANGEL O  
69-37247

BLESSIN, DEBRA J  
69-39734

BOURGEAU, DELAINA M  
69-23205

CONDON, DEBORAH L  
69-39800

GRAJEDA MENDOZA, ABRAN  
69-39958

HUNTER, JEFFREY A  
69-13421

JONES, KAYLA R  
69-36711

JOSEPH, KATIE A  
69-27998

JUAREZ REYES, JORGE M  
69-39959

PERSON'S NAME

LICENSE ISSUE NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

COLVILLE CONFEDERATED TRIBES

KENNEDY, ADAM Q  
69-39866

LAMBERT, DAWN M  
69-33272

LITTLEGEORGE, THOMAS J  
69-39912

LOUIE, KYLE T  
69-34950

MACCLAIN, JOHN E  
69-24888

MCCRAIGIE, DELECIA J  
69-39865

OLIVA, SANDRA D  
69-34724

RAMSEY, SAMANTHA L  
69-39801

RODRIGUEZ GARCIA, JORGE L  
69-39898

SCYPHERS, LEANN M  
69-39896

TOMPKINS, DANIELLE S  
69-39955

TRAXLER, KAITLYN M  
69-39864

WATT, BARBARA L  
69-23248

COWLITZ INDIAN TRIBE

DOUGHERTY, JAMES L  
69-39760

FOX-LAROSE, KARA M  
69-39761

PALMER, ERIK T  
69-39759

JAMESTOWN S'KLALLAM TRIBE

FLERCHINGER, LETRITIA J  
69-07738

FOUNTAIN, VERONICA C  
69-39920

MITCHELL, JAMES A  
69-39753

MURRY, TYFFANI D  
69-21060

PERSON'S NAME

LICENSE ISSUE NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

JAMESTOWN S'KLALLAM TRIBE

SHROUT, JAMES M  
69-39754

UNDERWOOD, JEFFREY S  
69-39742

WEATHERMAN, ASHLEY A  
69-39977

KALISPEL TRIBE

ATEM, DAVID M  
69-39807

CLARK, JACOB D  
69-39757

DUFNER, CODY L  
69-39856

EYGABROAD, ALEXANDER J  
69-39928

GREEDY, REBECCA A  
69-39826

GROSSHUESCH, DEREK A  
69-39908

KIEHL, KATHERINE M  
69-39926

MORRELL, AUTUMN M  
69-22331

MUTLAG, DHEFFAR A  
69-39863

OVERMAN, DARLA R  
69-14050

RAYMONT, KAYLA G  
69-24821

RUIZ, ALEX R  
69-39756

SHAWN, BENJAMIN A  
69-39927

SIMPSON, TOMI L  
69-39907

VANCAMP, THOMAS R  
69-39825

WILLIAMS, REBECCA R  
69-17645

WYNECOOP, ISAIAH E  
69-39824

PERSON'S NAME  
LICENSE ISSUE NUMBER

PERSON'S NAME  
LICENSE ISSUE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**LUMMI NATION**

ASK, JUDITH A  
69-20659

CARTER, CHRISTINA R  
69-39988

EINERT, ZARAH A  
69-12666

HERNANDEZ, REBECCA M  
69-39867

JEFFERSON, RITA N  
69-37800

KAHL, HEATH L  
69-15523

KNUDSON, VICTORIA J  
69-39775

LACLAIR, ALEXANDER T  
69-39989

LANE, CRYSTAL L  
69-20471

MARTIN, JAYCOB M  
69-39766

SAINT, THOMAS J  
69-39954

THAI, MY H  
69-39843

WADE, DYLAN A  
69-39886

**MUCKLESHOOT INDIAN TRIBE**

ALLEN, CAROLE M  
69-29415

ALMANZA, ERIC I  
69-39945

BOWEN, MICHELLE L  
69-39815

BREITENBACH, TAMARA D  
69-39910

CHON, CHRISTINA J  
69-39731

EMMERT, ALEXANDER J  
69-31967

ENGLISH, JOSEPH H  
69-39787

FAUTUA, FAUTUA JR  
69-39976

GERSPACHER, PATRICK M  
69-39763

JACKSON, PEARL M  
69-39911

PERSON'S NAME

LICENSE ISSUE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**MUCKLESHOOT INDIAN TRIBE**

JENNINGS, ROBERT M  
69-23882

KON, THEAMARA S  
69-39808

MAJORS-HOWE, OMRY O  
69-39975

MATHIAS, MARCY A  
69-08679

MINATO, WILLIAM D  
69-39909

NUEVO MALDONADO, RAUL  
69-39809

PEREDO, REBECCA I  
69-39845

SHARP, KATRINA R  
69-36835

**NISQUALLY INDIAN TRIBE**

ARELLANO, RAUL  
69-39899

BLALOCK, JOURNEY A  
69-39903

CORBIN, KIERRA M  
69-39985

DEAVER, BRIAN D  
69-39751

ISADORE, DONALD D JR  
69-29582

ISADORE, LIZA O  
69-28967

JARVELA, RODNEY L  
69-39784

KRUGER, TYSON D  
69-39750

LAUDERDALE, CYNTHIA L  
69-39831

LE, NHAT M  
69-39900

LEZAMA, ALEXANDREA S  
69-39829

LONGFELLOW, COREY M  
69-39902

MADISON, NEIL J  
69-34600

OHLSON, DASHASIA M  
69-39828

PARSLEY, KATIE L  
69-39901

PATE, DEBORAH R  
69-39830

PERSON'S NAME

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PERSON'S NAME

LICENSE ISSUE NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

NISQUALLY INDIAN TRIBE

PHAL, LUNDI  
69-34371

STEPETIN, TOMMY P  
69-39579

WALKER, DEVONN M  
69-39984

WILLIAMS, LARRY E  
69-39752

PORT GAMBLE S'KLALLAM TRIBE

ALEXIS, NO-YECTEE-HEMEH O  
69-07052

KNOCH, ZANNA M  
69-34417

MAHER, KAMELA N  
69-39785

ROJAS CAEZ, CASSANDRA Y  
69-39888

WARREN, LOGAN A  
69-39887

PUYALLUP TRIBE OF INDIANS

ALLISON, MICHAEL E  
69-39904

BAKER, ALEXANDRIA K  
69-39880

BOYD, DEANNA L  
69-39962

CAYOU, TANESHA J  
69-39794

COE-JOHNSON, DESTENIE A  
69-39821

GASSAWAY, KEVIN C  
69-39796

GOUVEIA, KERSTEN J  
69-39881

GUARDIPEE, MYRON J JR  
69-39822

HALE, NICHOLAS T  
69-39873

HUNT, JUANITA V  
69-39720

KIRK, MIKAELA A  
69-39852

LAMBERT, LAWANDA A  
69-39946

PERSON'S NAME

LICENSE ISSUE NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

PUYALLUP TRIBE OF INDIANS

LAUTT, TAMMY L  
69-39951

LITTLEJOHN, JEANNIEN K  
69-39768

LUTALI, IOANE F  
69-39741

METZLER, JAMIE M  
69-39947

MILES, MARIAH J  
69-39793

MORELAND, JESSICA A  
69-39879

MOSES, STACY K  
69-39743

NEWELL, PAMELA J  
69-39964

PIERCE, TERRY I  
69-39788

ROMINE, ANGELA V  
69-39872

ROWLETT, PENNY L  
69-39758

RUBIDA, SHELBY L  
69-39965

SARMIENTO, HARJIT KAUR S  
69-39730

SHAHAN, KATHERINE M  
69-39889

SHOJI, TAKUMA  
69-39931

SNIDER, CALEB W  
69-39870

TRAN, TERESA H  
69-39853

VENECIA, JADE J  
69-37269

WILLIAMS, DANIELLE L  
69-39871

WYNN, PHILLIP M  
69-39890

QUINAULT NATION

AUGARE, PIERRE F  
69-39874

BYLUND, KARLA S  
69-39783

CARROTHERS, CYNTHIA C  
69-39782

FERGUSON, TASHEENA W  
69-39806

PERSON'S NAME  
LICENSE ISSUE NUMBER

PERSON'S NAME  
LICENSE ISSUE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**QUINAULT NATION**

GRANT, DUSTIN G  
69-39933

MUHLHAUSER, REBECCA M  
69-39932

WARREN, BEN J JR  
69-39972

**SHOALWATER BAY TRIBE**

LITTERER, ALAN A  
69-39854

MCMILLAN VEST, MICHAEL D  
69-39950

WINOKUR, JOHNNY N  
69-27225

**SKOKOMISH TRIBE**

HENSLEY, CHRISTINE M  
69-39876

KLEINENDORST, LINDA B  
69-39877

STRONG, JENNIE L  
69-39878

**SPOKANE TRIBE**

ANDERSON, LISA A  
69-39790

BOYER, MICHAEL J  
69-39921

CRAWFORD, ALEXA K  
69-39774

DEWEESE, JULIE M  
69-39732

DURHAM, CLAYTON D  
69-39944

MATHEWS, WHITNEY A  
69-39795

MC CREA, BROOKE L  
69-27840

MESECHER, BRITTNEY L  
69-39811

MIMNAUGH, FORREST G  
69-39810

PARRISH, CRISTIAN R  
69-27892

PERSON'S NAME

LICENSE ISSUE NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

SPOKANE TRIBE

SMITH, GEORGIA L  
69-39917

TURNER, JAMES W  
69-39953

SQUAXIN ISLAND TRIBE

ALEXANDER, LUCIA G  
69-18319

BOWEN, MICHELLE L  
69-39815

CAMPOS, SYLVIA C  
69-39817

FIELD-BORODIN, TINA S  
69-39818

FOOS, ASHLEY J  
69-39839

FRAZIER, AMY L  
69-39885

FULLER, VERA L  
69-39840

GUTIERREZ, MIGUEL G  
69-39814

LARSON, JULIE A  
69-39765

MALONEY, LESLIE D  
69-39724

NICHOLSON, KARA A  
69-39838

REITSCH, JASON G  
69-29974

RHODES, WILLO M  
69-39725

SAR, KUNTHY K  
69-39813

SHATNER, JEREMY R  
69-24185

TEIGEN, ERLINDA S  
69-39816

STILLAGUAMISH TRIBE

CHRISTENSEN, SAVANNAH G  
69-39905

CULVER, WARREN J  
69-39918

DAVENPORT, NICOLE M  
69-37729

DELA CRUZ, GREGORIO N JR  
69-30666

PERSON'S NAME  
LICENSE ISSUE NUMBER

PERSON'S NAME  
LICENSE ISSUE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**STILLAGUAMISH TRIBE**

FEIL, BRUCE W  
69-29436

GRIFFITH, AMANDA P  
69-39748

KRIEG, JOSHUA F  
69-39960

LATIMER, CHRISTINA M  
69-39973

MILLER, DANIEL L  
69-39747

MOODY, JESSICA L  
69-39749

SHARP, TAMARA L  
69-39961

SLATON, JOHN L  
69-39919

VARNEY, ELIZABETH A  
69-06909

WYMAN, SELINA R  
69-39823

**SUQUAMISH TRIBE**

BRIGHTMAN, KAILENE F  
69-39803

DELGADO, TRAVIS M  
69-39862

DRYDEN, BRANDON C  
69-39746

DUNCAN, SARA M  
69-39847

ERTZBERGER, AISLINN W  
69-39883

GLICK, ERIK R  
69-39966

IRVING, LAURA A  
69-22329

JONES, JOCELYN S  
69-39858

MCCANN, JEREMY M  
69-39773

MCCORMICK, MARISSA R  
69-39846

MCDONALD, KRISTIN M  
69-39968

PINERA, AMAFLOR V  
69-39859

SAS, MICHAEL J  
69-39860

SCHWITZER, CODY L  
69-39861

PERSON'S NAME

LICENSE ISSUE NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

SUQUAMISH TRIBE

SILVEY, TRAVIS W  
69-39848

TRINIDAD, PAUL JOHN B  
69-39857

WU, JESSICA J  
69-39967

SWINOMISH INDIAN TRIBAL COMMUNITY

CAMARENA GARCIA, JAVIER  
69-39938

COOPER, FRANK A  
69-06845

EDWARDS, LOREN M  
69-01113

SEIXAS, LYNDA A  
69-39935

THE TULALIP TRIBES

AHLBERG, JOHNATHON J  
69-39884

ANDERLE, ASHLEY L  
69-39791

ANDREWS, ANTHONY M  
69-33085

COKER, SARA K  
69-39777

COTTINGHAM, KATHRINE L  
69-39915

EDWARDS, LOREN M  
69-01113

ENICK, MELISSA S  
69-21089

FLORES, SARINA M  
69-02836

GONZALEZ, EUGENE C  
69-39841

GOODALL, CHRISTOPHER R  
69-39937

GRAMPS, CYNTHIA L  
69-26978

HEATH, ALYSHIA M  
69-39914

LONEY, KRISTOPHER A  
69-20792

LOPEZ YAZZIE, ERIN  
69-33157

PERSON'S NAME  
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PERSON'S NAME  
LICENSE ISSUE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**THE TULALIP TRIBES**

LYND, JOLINE G  
69-27528

MCMANIS, TRACY M  
69-39792

NGUYEN, HOANG N  
69-39948

PULLEN, JUAN M  
69-39913

RAWSON, FRANCES M  
69-39949

REED, KELSEY L  
69-39764

REEDY, KENNETH P  
69-39842

REEVES, NICHOLAS G  
69-22958

RENTERIA, SYLVIA A  
69-26230

SCOTT, LAMORRIS II  
69-39925

SURDAM, JARED C  
69-39855

TERCY, MARIA C  
69-39936

THOMAS, ANDREW E  
69-39827

TRACY, JENNIFER E  
69-00775

TURNER, CHELSEA I  
69-39812

TUTTLE, STEPHANY E  
69-12911

VAN MARTER, DAWN L  
69-39916

ZHANG, RUOTIAN  
69-39957

**UPPER SKAGIT INDIAN TRIBE**

BRAGG, JOSHUA M  
69-39875

GADDIS, ASHLEY M  
69-39942

HUFF, DOCIA L  
69-39940

LEWIS, KYLE R  
69-39762

MICAN, MCKENZIE L  
69-39789

NELSON, BRENT W  
69-24832

PERSON'S NAME

LICENSE ISSUE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**UPPER SKAGIT INDIAN TRIBE**

ROEPER, EBEN S  
69-39978

SCHAREN, ALISA L  
69-39939

WANG, BILLY S  
69-39941

WEBB, JEREMY L  
69-39729

**YAKAMA NATION**

CROWE, SALINA R  
69-27356

GREENSIDE, SCOTT M  
69-39930

JIM, KEALS I  
69-39929

JIMMY, JOSEPH G  
69-39868

LEWIS, CONNIE J  
69-23924

LEWIS-CLARK, JANNA S  
69-39934

SCOTT, ANANY  
69-31069

SEYMOUR, ROSE M  
69-18184

WOODWARD, TASHEENA M  
69-29332





COMMISSION APPROVAL LIST  
(Class III Gaming Employees)

July 2016

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| SNOQUALMIE CLASS III GAMING EMPLOYEE ..... | 1-2         |

PAGES: 2

Based upon the licensing investigations, staff recommends approving all new Licenses and Class III employees listed on pages 1 to 2.

2



PERSON'S NAME

LICENSE ISSUE NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

SNOQUALMIE TRIBE

AKOPYAN, LIDIYA G  
69-39797

BENZLEY, CHRISTOPHER W  
69-39923

BRIDGERS, JASON L  
69-39736

CASE, ALYSHA A  
69-39924

DEANE, SAVANNAH A  
69-39738

DUPREE, TASHA R  
69-11897

FORD, CHASE T  
69-39780

FRIDAY, JOSHUA D  
69-39798

HILL, RACHEL N  
69-39740

JOHNSON, KIERA J  
69-39970

LAMPITT, GERALDINE R  
69-39836

LAURSEN, RITCHIE G  
69-39893

LEPAGE, LOGAN K  
69-39835

MKRTCHYAN, GRANT V  
69-32830

MOETULUI, CHARLES V  
69-39895

MURPHY, ROY A  
69-39850

OLMSTEAD, MARY A  
69-39894

QIN, GEPING R  
69-39891

SA, MAN L  
69-39851

SANSING, KAILA  
69-39892

SCHOENEMAN, ELIZABETH N  
69-39737

SMITH, DIANE E  
69-39739

SMITH, MARILYN M  
69-39745

STARR, JASON D  
69-39969

Handwritten mark

DATE: 06/20/2016

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PERSON'S NAME

PERSON'S NAME

LICENSE ISSUE NUMBER

LICENSE ISSUE NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

SNOQUALMIE TRIBE

THOMPSON, ERIC M  
69-39735

TKACHYK, JASON J  
69-39922

AKOPYAN, LIBYA D  
69-39797

VILLAREAL, CARLOS R  
69-39778

WILSON, KAYLAM R  
69-39833

BRIDGERS, JASON J  
69-39736

DUPREE, TASHA R  
69-11897

DRANE, SAVANNAH A  
69-39738

FRIDAY, JOSHUA D  
69-39788

FORD, CHASE T  
69-39780

JOHNSON, KERRA J  
69-39970

HULL, RACHEL N  
69-39740

LAURSEN, KITCHIE G  
69-39893

LARITTI, GERALDINE R  
69-39836

MKRTCHYAN, GRANT V  
69-32830

LEPAGE, LOGAN K  
69-39815

MURPHY, ROY A  
69-39850

MOTULUI, CHARLES V  
69-39895

OH, GEPING R  
69-39891

OLMSTEAD, MARY A  
69-39804

RANSING, KALA  
69-39805

SA, MAN J  
69-39871

SMITH, DIANE E  
69-39739

SCHOENEMAN, ELIZABETH N  
69-39737

STAR, JASON D  
69-39869

SMITH, MARLYN M  
69-39765



**STATE OF WASHINGTON**  
**GAMBLING COMMISSION**

**“Protect the Public by Ensuring that Gambling is Legal and Honest”**

July 1, 2016

**TO:** COMMISSIONERS:  
Bud Sizemore, Chair  
Julia Patterson, Vice Chair  
Kelsey Gray, Ph.D.  
Christopher Stearns  
Ed Troyer

**FROM:** Brian J. Considine, Managing Attorney / Legislative Liaison  
Legal and Records Division

**SUBJECT: Chamroeun Chea, CR 2016-00280**  
**Final Order – July 14, 2016 Commission Meeting**

Mr. Chea holds a Class III certification authorizing Class III employee activity at Muckleshoot Casino. On July 26, 2015, Mr. Chea stole a \$40.00 wager from a player while working as a poker dealer. Muckleshoot Casino’s security contacted Mr. Chea after review surveillance video and found that he had stolen \$240.00 in chips and cheques from patrons that day.

Mr. Chea admitted to the theft and that he averaged stealing a minimum of \$200 per night while he worked. Mr. Chea worked five nights a week prior to his July 29, 2015 theft. Mr. Chea admitted that he had a gambling problem and he used all of the stolen chips/money to play poker and Tribal Lottery System machines at the casino.

The Muckleshoot Gaming Commission revoked Mr. Chea’s tribal gaming license on September 3, 2015 due to his admitted thefts at the casino. Mr. Chea did not inform the Commission of the Muckleshoot Gaming Commission’s revocation of his gaming license.

Director Trujillo issued a Notice of Administrative Charges to Mr. Chea by certified and regular mail on April 18, 2016. The mailing sent by certified mail was returned as undeliverable. The administrative charges notified Mr. Chea that his failure to respond would result in the entry of a default order revoking his certification.

Mr. Chea never responded or requested a hearing. Mr. Chea has waived his right to a hearing, and you may enter a final order revoking Mr. Chea’s certification pursuant to RCW 9.46.075(1), (8), and (10), and WAC 230-03-085(1), (7) and (8), as well as Section V C(1) and (3) of the Muckleshoot Tribe-State Gaming Compact.

Default Hearing – Chamroeun Chea

July 1, 2016

Page 2

Based on his actions and conviction, Mr. Chea cannot show by clear and convincing evidence that he is qualified to keep his Class III certification. Therefore, staff recommends that the Commission sign the proposed final order and revoke Chamroeun Chea's Class III certification.



**STATE OF WASHINGTON**  
**GAMBLING COMMISSION**

**“Protect the Public by Ensuring that Gambling is Legal and Honest”**

July 1, 2016

**TO:** COMMISSIONERS:  
Bud Sizemore, Chair  
Julia Patterson, Vice Chair  
Kelsey Gray, Ph.D.  
Christopher Stearns  
Ed Troyer

**FROM:** Brian J. Considine, Managing Attorney / Legislative Liaison  
Legal and Records Division

**SUBJECT: 15304 1<sup>st</sup> Ave. South LLC d/b/a Dragon Pearl, CR 2015-01727**  
**Final Order – July 14, 2016 Commission Meeting**

15304 1<sup>st</sup> Ave. South LLC (Applicant) submitted an application for a class “A” Punch Board/Pull Tab license for The Dragon Pearl, located at 15304 1<sup>st</sup> Ave. South, Burien, Washington.

The application was submitted after the business had offered unlicensed pull-tab gambling activity at the business from November 2014 until at least March 2015. The Commission learned after-the-fact that the business changed ownership in October 2014 when long-time owners Kam and Anglea Cheng sold their business to their son, Dr. John Cheng under his wholly owned LLC 15304 1<sup>st</sup> Ave. South.

On four separate occasions between November 14, 2014 and March 5, 2015 agents communicated with Dr. Cheng and Ms. Cheng, now serving as manager of the Dragon Pearl, both in writing as well as by phone, advising of them that the business’ previous gambling license was void and the business must immediately cease pull-tab sales until a new license was issued consistent with WAC 230-06-108(1). However, the Applicant failed to comply with these directives and took in at least \$10,000 in gross receipts for unlicensed pull-tab activity.

The Applicant eventually submitted an application for a class “A” pull-tab license. Director Trujillo issued an application denial by certified and regular mail on April 12, 2016. The mailing sent by certified mail was returned as undeliverable. The denial notified the Applicant that its failure to respond would result in the entry of a default order denying its application for a class “A” pull-tab license.

The Applicant never responded or requested a hearing. The Applicant has waived its right to a hearing, and you may enter a final order denying the Applicant’s application for a class “A”

Default Hearing – 15304 1<sup>st</sup> Ave. South LLC d/b/a Dragon Pearl

July 1, 2016

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punchboard/pull-tab license pursuant to RCW 9.46.075(1), (8), and (10) and WAC 230-03-085(1), (3), (8). Therefore, staff recommends that the Commission sign the proposed final order and deny 15304 1<sup>st</sup> Ave. South LLC d/b/a Dragon Pearl its application for a Class “A” punchboard/pull-tab license.

# Commission Meeting Minutes

## DRAFT

### Location of Meeting:

Great Wolf Lodge  
2050 Old Highway 99 SW  
Grand Mound, WA 98531  
(360) 273-7718

### Date and Time of Meeting

Friday, March 11, 2016  
10:00 a.m.

✓ **Indicates Commissioners and Ex Officio Members Present.**

### Commissioners

- ✓ Chris Stearns, Chair
- ✓ Bud Sizemore, Vice-Chair
- ✓ Kelsey Gray, PhD.
- ✓ Julia Patterson
- ✓ Ed Troyer

### Ex Officio Members

- ✓ Senator Steve Conway
- Senator Mike Hewitt
- Representative Christopher Hurst
- Representative Brandon Vick

### Staff

David Trujillo, Director  
Amy Hunter, Deputy Director  
Tina Griffin, Assistant Director – Licensing Regulation and Enforcement  
Julie Lies, Tribal Liaison – Tribal & Technical Gambling  
Matthew Kernutt, Assistant Attorney General  
Michelle Rancour, Executive Assistant  
Susan Newer, Public Information Officer

## - PUBLIC MEETING -

### Welcome

*Chris Stearns, Commission Chair*

**Chairman Chris Stearns** called the Gambling Commission meeting to order at 10:30 a.m. at the Great Wolf Lodge in Grand Mound and introduced the members present.

About 60 people were in the audience. In addition a phone-in feature was offered.

### Responsible Gaming Training – Prevention & Awareness Program Presentation

*Maureen Greeley, Executive Director, Evergreen Council on Problem Gambling*

**Maureen Greeley**, Executive Director of Evergreen Council on Problem Gambling, talked about problem gambling programs and responsible gambling training.

She addressed three areas:

- Treatment – residential      Training – employees      Awareness

Australia and Canada have strong problem gambling programs.

No inpatient treatment programs in Washington State, there is a great need.

In patient treatment in Minnesota is operated by a nonprofit with funding from tribes and federal grants. Problem gambling portion of facility has \$8M yearly budget.

**Ann**, former problem gambler, explained she has been in recovery for 4 years. She attended in-patient treatment in Minnesota; treatment saved her life. Out of state treatment makes it difficult for family to attend family sessions for their own support.

**Senator Conway** said he would help Maureen work with superior court judges for problem gambling programs. He also suggested looking at the LCB's server training as a model for problem gambling training.

**Special Agent Lisa Saila**, talked about training agency staff was in the process of developing for the industry.

**Assistant Director Tina Griffin** said staff are incorporating problem gambling information and training into the "training we establish," which is required within 30 days of employment. We will provide the training materials in the future, rather than the house-banked card rooms.

**Chair Chris Stearns** said he attended an open GA meeting at a G2E conference last year; problem gambling has the same components as other addictions. It also has the three outcomes: jail, institution and death.

### **Skokomish Indian Tribe Compact Amendment**

*David Trujillo, Director*

**Tom Strong, Skokomish Tribal Councilman** covered some highlights from the Tribe: 55,000 square acres of reservation. 741 members. Lucky dog casino has 255 machines and no table games. Amendment allows for future planning and ability to upgrade their old building.

**Vice-Chair Sizemore** moved to forward to the Governor

**Commissioner Gray** seconded the motion.

**Motion passed 6:0** Commissioners and ex officio Senator Conway voted unanimously to forward to the Governor.

### **Executive Session to Discuss Pending Investigations, Tribal Negotiations and Litigation**

**Chair Stearns** announced there would be an executive session. **Chair Stearns called for executive session at 12:15 p.m.** He excused the audience and announced the session would last approximately one and a half hours. **Chair Stearns** called for a 15 minute extension at 1:27 p.m. The meeting resumed at approximately 1:50 p.m.

**Rules Up for Final Action**

**Assistant Director Tina Griffin** reviewed the rules for the Commissioners. The Commissioners thanked Ms. Griffin for her comprehensive presentation: 280 amusement games in licensed locations. So far, 30 people have testified in support of the games, and three testified with concerns at previous Commission meetings.

**Eight stakeholders testified regarding Group 12 amusement games at the March meeting.**

Their testimony included:

- Wants to give cash back, up to \$40 on gift cards.
- Wants replays. Has not heard what the public policy issue is for no replays.
- Replay is needed to keep games viable.
- \$250 ID stamp good revenue generator for the state.
- Wants to modernize gambling activities, i.e. modernized pull-tabs.
- Changing symbols on machines would be expensive, i.e. testing and rolling out changes.
- Three ways to replay: Load back on card as comingle; ticket-in ticket-out; play directly off the machine.

**Group 12 Amusement Games. Package #1**

*Tina Griffin, Assistant Director*

*Filed 10/29/2015 as a Pre-Proposal Statement of Inquiry (CR-101) under WSR #15-22-054. Proposed Rule Making (CR-102) under WSR #16-04-053 with a published date of 2/17/2016.*

- Amended Section: WAC 230-03-185 Applying for a manufacturer license.
  - *Alternative #1 and #2*
- Amended Section: WAC 230-03-190 Applying for a distributor license.
- Amended Section: WAC 230-05-030 Fees for other businesses.
- Amended Section: WAC 230-06-110 Buying, selling, or transferring gambling equipment.
  - *Alternative #1 and #2*
- Amended Section: WAC 230-13-010 Approval of new amusement games.
  - *Alternative #1 and #2*
- Amended Section: WAC 230-13-135 Maximum wagers and prize limitations at certain amusement game locations.
- Amended Section: WAC 230-13-160 Basing rent on a percentage of gross receipts.

**Assistant Director Tina Griffin** explained the rules package is up for final action, and includes rules for licensing and equipment testing. Ms. Griffin explained the differences between Alternatives 1 and 2 in the packet. Staff recommends adoption of Alternative 2 effective 31 days from filing.

**Commissioner Gray** moved to adopt the rules with Alternative #2 language.

**Vice-Chair Sizemore** seconded the motion.

**Motion Approved 5:0.**

**Group 12 Amusement Games. Package #2**

*Tina Griffin, Assistant Director*

*Filed 10/29/2015 as a Pre-Proposal Statement of Inquiry (CR-101) under WSR #15-22-054. Proposed Rule Making (CR-102) under WSR #16-04-053 with a published date of 2/17/2016.*

- o Amended Section: WAC 230-13-080 Operating coin or token activated amusement games.

**Ms. Griffin** explained rules package # 2 would limit the number of machines per location. Staff recommends final action, effective 31 days from filing.

**Commissioner Patterson moved to file for further discussion at the April meeting.**

**Vice-Chair Sizemore seconded the motion.**

**Motion approved 5:0.**

**Group 12 Amusement Games. Package #3**

*Tina Griffin, Assistant Director*

*Filed 10/29/2015 as a Pre-Proposal Statement of Inquiry (CR-101) under WSR #15-22-054. Proposed Rule Making (CR-102) under WSR #16-04-053 with a published date of 2/17/2016.*

- o Amended Section: WAC 230-13-005 Amusement games authorized.
- o Amended Section: WAC 230-13-130 Display and exchange of amusement game prizes.
- o Repealed Section: WAC 230-13-140 Price to play amusement games must be paid in cash or check.

**Ms. Griffin** explained rules package #3 is up for final action, which eliminates gift cards and gift certificates, and other gambling activities that do not constitute merchandise prizes.

**Vice-Chair Sizemore moved to file for further discussion at the April meeting.**

**Commissioner Patterson seconded.**

**Motion approved 5:0.**

**Rule Up for Discussion**

**Group 12 Amusement Games.**

*Tina Griffin, Assistant Director*

*Filed 1/28/2016 as a Pre-Proposal Statement of Inquiry (CR-101) under WSR #16-04-052*

- o Repealed Section: WAC 230-13-067 Electronic puzzle and pattern solving game standards.

Up for discussion only. Stakeholders commented they would lose 9 million dollars if Group 12 amusement games were repealed. **Commissioners had no comment.**

**Rules Up for Discussion and Possible Filing**

**Rules regulating the appearance and recordkeeping for Group 12 Amusement Games.**

- o Amended Section: WAC 230-13-067 Group 12 Electronic puzzle and pattern solving game standards.

**Assistant Director Tina Griffin** explained this rule package #5 was up for discussion and possible filing. The rules dealt with appearance and signage.

Staff presented two options for filing:

Option 1: Limits symbols so they do not look like a slot machine and;

Option 2: Requires signage on each game.

**Commissioner Gray moved to file for further discussion option 2.**  
**Commissioner Troyer seconded.**  
**Motion approved 5:0.**

**Group 12 Amusement Games.**

- Amended Section: WAC 230-13-075 Assigning and reporting group numbers of authorized amusement games.
- Amended Section: WAC 230-13-170 Recordkeeping for commercial amusement games.
- Amended Section: WAC 230-07-125 Recordkeeping requirements for lower volume charitable or nonprofit organizations.
- Amended Section: WAC 230-13-005 Amusement games authorized.

**Assistant Director Tina Griffin** explained Rules Package #6 dealt with recordkeeping and non-transferability of tokens.

**Ms. Griffin stated staff recommended filing for further discussion.**

**Vice-Chair Sizemore moved to file.**

**Commissioner Gray seconded.**

**Motion approved 5:0.**

**Chair Stearns**, called for a break at 4:20p.m. At 4:42pm the meeting was called back to order.

**New Licenses and Class III Employees**

*Tina Griffin, Assistant Director*

**Assistant Director Tina Griffin** explained there are currently 49 licensed and operating house-banked card rooms. Staff recommends approval of the new licenses and Class III gaming employees listed on pages 1 through 14. Staff also recommends approval of the Snoqualmie Class III certifications held over from February.

**Commissioner Patterson moved to approve new licenses and Class III Certifications.**

**Commissioner Gray seconded the motion.**

**Motion approved 5:0.**

**Snoqualmie Class III Certifications**

**Commissioner Patterson moved to approve the Class III Certifications from Snoqualmie.**

**Commissioner Gray seconded the motion.**

**Motion approved 4:0.**

**- PUBLIC MEETING -**

**Director's Report**

*David Trujillo, Director*

Director Trujillo stated he had nothing to report.

**Legislative Update**

*Brian Considine, Managing Attorney & Legislative Liaison*

Legislative Liaison Brian Considine explained the bills listed in the memo passed and are making their way to the Governor's desk.

Gambling Commission Meeting

March 11, 2016

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**Approval of Minutes – January & February 2016 Commission Meetings**

**Commissioner Gray moved to approve the January 2016 minutes.**

**Vice Chair Sizemore seconded.**

**Motion approved 5:0.**

February minutes held over to April meeting.

**Other Business/General Discussion/Comments from the Public**

There were no further comments.

**Adjourn - Chair Stearns adjourned the meeting at 5:15pm**

# Commission Meeting Minutes

## DRAFT

### Location of Meeting:

DoubleTree by Hilton Olympia  
451 Capitol Way  
Olympia, WA 98504  
(360) 570-0557

### Date and Time of Meeting

Thursday, April 14, 2016  
11:00 a.m.

### ✓ **Indicates Commissioners and Ex Officio Members Present.**

#### Commissioners

- ✓ Chris Stearns, Chair
- ✓ Bud Sizemore, Vice-Chair
- ✓ Kelsey Gray, PhD.
- ✓ Julia Patterson
- ✓ Ed Troyer

#### Ex Officio Members

- Senator Steve Conway
- Senator Mike Hewitt
- ✓ Representative Christopher Hurst
- Representative Brandon Vick

#### Staff

David Trujillo, Director  
Amy Hunter, Deputy Director  
Tina Griffin, Assistant Director – Licensing Regulation and Enforcement  
Julie Lies, Tribal Liaison – Tribal & Technical Gambling  
Matthew Kernutt, Assistant Attorney General  
Michelle Rancour, Executive Assistant  
Susan Newer, Public Information Officer

## - PUBLIC MEETING -

### Welcome

*Chris Stearns, Commission Chair*

**Chairman Chris Stearns** called the Gambling Commission meeting to order at 11:07 a.m. at the DoubleTree Hotel in Olympia, WA, and introduced the members present.

**Chair Stearns** announced there would be an executive session to discuss pending investigations, tribal negotiations and litigation. Chair Stearns called for executive session at 11:10 a.m. He announced the session would last approximately one and a half hours and excused the audience.

The meeting resumed at approximately 1:00 p.m.

About 50 people were in the audience, and one person participated by phone.

KING5 and TVW were present at the meeting.

## - ADMINISTRATIVE PROCEDURE ACT PROCEEDINGS –

### Rules Up for Final Action

**Assistant Director Tina Griffin** shared the numbers of amusement games in the state. A formal letter requesting information was sent out with a 30 days to comply. **Ms. Griffin** gave a brief summary of the comments, reminding everyone all the public comments were posted on the website, along with a Small Business Economic Impact Statements also posted on our website for the public.

#### **3. Group 12 Amusement Games.**

*Tina Griffin, Assistant Director*

*Filed 10/29/2015 as a Pre-Proposal Statement of Inquiry (CR-101) under WSR #15-22-054. Proposed Rule Making (CR-102) under WSR #16-04-053 with a published date of 2/17/2016.*

- Amended Section: WAC 23-13-080 Operating coin or token activated amusement games.

**Assistant Director Tina Griffin** explained this rule would limit the number of games to a maximum of ten (10) for commercial operators and twenty (20) for charitable/nonprofits. This would address the concerns about the number of games that could come into the state. Attached to all the Group 12 rules is the Budget Proviso language from the Second and Gross Substitute Budget House Bill 2376 that directs the Commission to review and reconsider, including repeal, rules adopted to authorize the amusement games classified as Group 12 under WAC 230-13-067. Staff recommends final action with an effective date 31 days from filing.

**Commissioner Patterson** made a motion to limit the number of games.

**Commissioner Gray** seconded the motion.

**Motion passed 3:2.**

**Vice-Chair Sizemore** voted nay.

**Commissioner Gray** voted nay.

#### **4. Group 12 Amusement Games.**

*Tina Griffin, Assistant Director*

*Filed 10/29/2015 as a Pre-Proposal Statement of Inquiry (CR-101) under WSR #15-22-054. Proposed Rule Making (CR-102) under WSR #16-04-053 with a published date of 2/17/2016.*

- Amended Section: WAC 230-13-005 Amusement games authorized.
- Amended Section: WAC 230-13-130 Display and exchange of amusement game prizes.
- Repealed Section: WAC 230-13-140 Price to play amusement games must be paid in cash or check.

**Assistant Director Tina Griffin** explained this rule package both in Option A and Option A.1 does three things:

- Codifies current practice of the use of the electronic token card, which staff have now defined,
- Does not allow Group 12 amusement games to be operated without a license by a charitable non-profit organization,
- Repeals 230-13-140, which is contradictory to WAC 230-13-005 (sub-section 4)

The amendments to the rules address the questions staff have been faced with regarding the definition of merchandise, the use of gift cards and gift certificates, and the ability to allow for

Gambling Commission Meeting

April 14, 2016

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the participation of gambling activities with tokens, coupons or tickets won from the Group 12 amusement games. It also addresses redemption of tokens won for food and or beverage. **Ms. Griffin** also explained why staff was recommending the deadline date of August 15, 2016 for compliance with testing.

**Vice-Chair Sizemore** moved to adopt Option A with an effective date of July 15, 2016. **Commissioner Patterson** seconded the motion.

**Motion Approved 5:0**

**Representative Christopher Hurst** thanked the Commissioners for working with staff to provide rules that were good for the benefit of the people of Washington state.

### Rules Up for Discussion

**5. Group 12 Amusement Games.**

*Tina Griffin, Assistant Director*

*Filed 1/28/2016 as a Pre-Proposal Statement of Inquiry (CR-101) under WSR #16-04-052*

- Repealed Section: WAC 230-13-067 Electronic puzzle and pattern solving game standards.

**Assistant Director Tina Griffin** explained this rule was not up for final action today due to the Code Reviser's Office filing dates. It is only up for discussion today and will be up for final action at the May meeting. This would repeal the rule that authorized Group 12 amusement games. Licensees indicated they would lose about \$9 million dollars if the Group 12 amusement games were repealed. A Small Business Economic Impact Statement was filed and is available on our website.

**6. Group 12 Amusement Games.**

*Tina Griffin, Assistant Director*

*Filed 3/02/2016 as a Pre-Proposal Statement of Inquiry (CR-101) under WSR #16-06-130*

- Amended Section: WAC 230-13-067 Group 12 Electronic puzzle and pattern solving game standards. Requiring notice to players.

**Assistant Director Tina Griffin** explained this rule was at the request of Commissioner Troyer and would require a sticker to be placed on all group 12 amusement games or a message displayed on the machine stating "This is not a slot machine. No cash prizes allowed. You can preview the prize available before each play of the game without insertion of money or anything of value." Licensees will be responsible for printing their own stickers or ensuring the message is on the screen. **Chair Stearns** requested some changes to the language, and that will be up for consideration at the May Commission meeting.

**7. Group 12 Amusement Games.**

*Tina Griffin, Assistant Director*

*Filed 3/02/2016 as a Pre-Proposal Statement of Inquiry (CR-101) under WSR #16-06-130*

- Amended Section: WAC 230-13-075 Assigning and reporting group numbers of authorized amusement games.
- Amended Section: WAC 230-13-170 Recordkeeping for commercial amusement games.
- Amended Section: WAC 230-07-125 Recordkeeping requirements for lower volume charitable or nonprofit organizations.
- Amended Section: WAC 230-13-005 Amusement games authorized.

**Assistant Director Tina Griffin** explained the above four rules mostly dealt with three things:

1. It would require notification to the Commission by amusement game licensees within thirty (30) days of placing a group 12 amusement game into play, or removing a group 12 amusement game out of play.
2. It would also require amusement game licensees to keep records and report to us separately their group 12 receipts.
3. It would not allow for coupons, tickets, tokens, or tokens on an electronic token card to be transferrable to such things as a player tracking system or customer rewards system.

**Ms. Griffin** noted staff had received one statement in opposition to the rule proposal, related to the non-transferability of tokens.

### **Rules Up for Discussion and Possible Filing**

#### **8. Group 12 Amusement Games.**

*Tina Griffin, Assistant Director*

- Amended Section: WAC 230-03-185 Applying for a manufacturer license.
- Amended Section: WAC 230-03-190 Applying for a distributor license.
- Amended Section: WAC 230-06-110 Buying, selling, or transferring gambling equipment.
- New Section: WAC 230-06-112 Buying, selling, renting and leasing amusement games.

**Assistant Director Tina Griffin** explained, the rules package was a staff request based on the rules passed last month. Staff recognized more language and clarification was needed to move forward. Filed for further discussion. No motion was made.

**Chair Stearns** opened the floor for public comment.

**Public Comment:** Eleven (11) people testified regarding Group 12 amusement games.

- Two audience members representing the Muckleshoot Tribe opposed the games and requested the rule authorizing the game be repealed.
- Some audience members requested that gift cards and replays be allowed.
- Maureen Greeley, Evergreen Council on Problem Gambling, said she was neutral on the games and urged the Commissioners to be aware of gambling problems.
- Representative Christopher Hurst thanked staff for their work on the rules, and suggested the rule authorizing the games be repealed or allow the games in a very limited way.

#### **New Licenses and Class III Employees**

*Tina Griffin, Assistant Director*

**Assistant Director Tina Griffin** explained there are currently 48 licensed and operating house-banked card rooms. Staff recommends approval of the new licenses and Class III gaming employees listed on pages 1 through 17.

**Vice Chair Sizemore** made the motion to approve.

**Commissioner Gray** seconded.

**Motion Approved 5:0**

### **Class III Certifications for Snoqualmie**

**Commissioner Patterson** moved to approve the one page of Snoqualmie Class III Certifications.  
**Commissioner Gray** seconded.

**Motion Approved 4:0 (Chair Stearns abstained from voting).**

### **- PUBLIC MEETING -**

#### **Director's Report**

*David Trujillo, Director*

**Director David Trujillo** gave a brief update on the headquarters office move, and shared that the successful bidder was notified. We expect to be moved by the end of the year. We plan to hire a person to help us with the move, and that person would spearhead the project.

#### **Legislative Update**

*Brian Considine, Managing Attorney & Legislative Liaison*

**Legislative Liaison Brian Considine** explained Senate Bill 6449 concerning enhanced raffles was signed by the Governor at the end of March. This bill would extend the expiration date for enhanced raffles to June 30, 2022. Mr. Considine also explained the Open Public Meetings Act was amended and the violation goes up from \$100 to \$500.

#### **Approval of Minutes – February 2016 Commission Meetings**

**Vice Chair Sizemore** moved to approve the February minutes.

**Commissioner Patterson** seconded.

**Minutes approved 5.0**

#### **Other Business/General Discussion/Comments from the Public**

**Commissioner Patterson** spoke about her experience on the ride along with Special Agent Tony Hughes. She visited the Silver Dollar Casino in SeaTac and learned about surveillance and other aspects of the business. It was really an informative 2 or 3 hours. She encouraged other commissioners to do the same.

**Chair Stearns**, commented it was a great opportunity and gives a hands on perspective.

#### **Adjourn**

**Chair Stearns** adjourned the meeting at 3:45pm

# Commission Meeting Minutes

## DRAFT

### Location of Meeting:

Red Lion Hotel  
2525 20<sup>th</sup> Avenue NE  
Pasco, WA 99201  
(509) 547-0701

### Date and Time of Meeting

Thursday, May 12, 2016  
**12:00 p.m. Commission Meeting**

✓ **Indicates Commissioners and Ex Officio Members Present.**

### Commissioners

- ✓ Chris Stearns, Chair
- ✓ Bud Sizemore, Vice-Chair
- ✓ Kelsey Gray, PhD.
- ✓ Julia Patterson
- ✓ Ed Troyer

### Ex Officio Members

Senator Steve Conway  
Senator Mike Hewitt  
Representative Christopher Hurst  
Representative Brandon Vick

### Staff

David Trujillo, Director  
Amy Hunter, Deputy Director  
Tina Griffin, Assistant Director – Licensing Regulation and Enforcement  
Julie Lies, Tribal Liaison – Tribal & Technical Gambling  
Matthew Kernutt, Assistant Attorney General  
Michelle Rancour, Acting Executive Assistant  
Julie Anderson, Executive Assistant  
Susan Newer, Public Information Officer

## - PUBLIC MEETING -

### Welcome

*Chris Stearns, Commission Chair*

**Chairman Chris Stearns** called the Gambling Commission meeting to order at 12:00 p.m. at the Red Lion Hotel in Pasco and introduced the members present.

**Chair Stearns** announced there would be an executive session to discuss pending investigations, tribal negotiations and litigation. **Chair Stearns called for executive session at 12:00 p.m.** He announced the session would last approximately one and a half hours and excused the audience.

The meeting was called back to order at approximately 1:30pm. About 60 people were in the audience. In addition, a phone in feature was offered.

## Recognition

*Chris Stearns, Chair*

**Director Trujillo** welcomed new executive assistant Julie Anderson. He also recognized Michelle Rancour for her outstanding help over the last few years as acting executive assistant.

## Update from Problem Gambling Conference

*Chair Stearns & Commissioner Patterson*

**Commissioner Julia Patterson** gave a report on the Focus on the Future Western Regional conference on problem gambling awareness, which she and Chair Stearns recently attended. This year's keynote speaker was Mark Griffins from Nottingham Trent University in England.

**Chair Stearns** noted that one of the panels at the conference was about how e-sports is affecting more young people.

**Commissioner Patterson** spoke in favor of attending the Four Directions Problem Gambling conference. Last year, the conference was in Vancouver BC Canada; in 2016 it will be hosted by the Suquamish Tribe.

**Director's Report:** **Director Trujillo** reported leadership was still working on our headquarters office move.

## - ADMINISTRATIVE PROCEDURE ACT PROCEEDINGS -

### Rule Up for Final Action

**Assistant Director Tina Griffin** gave Commissioners' an update on Group 12 amusement games. Total of approximately 385 located in the state. Agents visited the sites on May 4, 5, and 6 to verify compliance with the prize and wager limits, which went into effect April 30. ID Stamps will be phased in the middle of the year.

### **Group 12 Amusement Games – Repealer**

- Repealed Section: WAC 230-13-067 Electronic puzzle and pattern solving game standards.

Commissioners voted **not** to repeal WAC 230-13-067 authorizing Group 12 Amusement Games; this was a unanimous vote.

**Vice-Chair Sizemore made a motion not to repeal the Group 12 Amusement Games.**

**Commissioner Gray seconded the motion.**

**Motion Approved 5:0.**

### Rules Up for Discussion

**Assistant Director Griffin** explained the next set of Group 12 rules were up for discussion only.

### **Group 12 Amusement Games – Requiring Notice to Players**

- Amended Section: WAC 230-13-067 Group 12 Electronic puzzle and pattern solving game standards.

**Assistant Director Tina Griffin** explained the rule was for signage to display “This is not a slot

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machine” and would be prominently displayed on the screen or near the machines. Licensees would develop the sticker themselves and post it to the amusement game or the information could be displayed on the screen. Rules to be brought back to the July meeting for final action.

### **Group 12 Amusement Games – Reporting, Recordkeeping and Non-transferability of Tokens**

- Amended Section: WAC 230-13-075 Assigning and reporting group numbers of authorized amusement games.
- Amended Section: WAC 230-13-170 Recordkeeping for commercial amusement games.
- Amended Section: WAC 230-07-125 Recordkeeping requirements for lower volume charitable or nonprofit organizations.
- Amended Section: WAC 230-13-005 Amusement games authorized.

**Assistant Director Griffin** explained this set of rules would do three things; 1) reporting requirements for thirty (30) day notice of any installations and removal of equipment, 2) recordkeeping component where gross receipts for group 12 would be reported separately, and 3) not allow tokens that are dispensed from a group 12 amusement games to be transferred to such things as a player tracking card system or a customer rewards system.

### **Group 12 Amusement Games – Licensing**

- Amended Section: WAC 230-03-185 Applying for a manufacturer license.
- Amended Section: WAC 230-03-190 Applying for a distributor license.
- Amended Section: WAC 230-06-110 Buying, selling, or transferring gambling equipment.
- New Section: WAC 230-06-112 Buying, selling, renting and leasing amusement games.

**Assistant Director Tina Griffin** explained these rules will clearly define what can be done as a manufacturer, as a distributor, and what activity class A and B licensed amusement games can do. Rules to be brought back at the July meeting for discussion.

**Chair Stearns** called for public comment on the three sets of group 12 rules up for discussion. Three people spoke in opposition of the rule changes for licensing group 12 amusement games; Jay Gerow, Amusement Distributors of Washington (ADOW), Pat Tompkins, Sound Amusements, and Joan Mell, Attorney for ADOW.

## **Rules Up for Discussion and Possible Filing**

### **Other Rules up for Discussion and Possible Filing** (taken out of order)

**Staff Demonstration – Poker Wagering** demonstration presented by Bill McGregor, Special Agent.

**AD Griffin** explained the Texas Hold'em Poker Pilot Program, which increased the single wager limit for Texas Hold'em only to \$100. From 1974 to 2007 wagering limits for other card games went from \$2 to \$40 and that portion of the rule still stands today.

### **Petition from Theresa Malphrus – Poker Wagering**

- WAC 230-15-080 Authorized fees and authorized methods of collection.

- WAC 230-15-135 Wagering Limits for nonhouse-banked card games.

Requesting the following rule changes:

- Increase the maximum amount of a single wager on any authorized poker game, not just Texas Hold ‘Em, from \$40 to \$100 at Class F and house-banked cardrooms; and
- Allow Class F and house-banked cardrooms to assess players of nonhouse-banked card games a rake fee of up to 10% of the pot with no limit. Currently, the rake cannot be more than \$5 per hand or 10% of the total wagers for a hand, whichever is less.

**Theresa Malphrus** explained the rake and player supported jackpot. One of the reasons for the request for rule changes was in anticipation of the minimum wage labor increases in November. Filed for further discussion.

**Vice-Chair Sizemore made a motion to file for further discussion.**

**Commissioner Patterson seconded the motion.**

**Motion Approved 5:0**

#### **Petition from George Teeny – Poker Wagering**

- WAC 230-15-135 Wagering Limits for nonhouse-banked card games.

**Assistant Director Tina Griffin** explained Mr. Teeny is requesting increased wagering limits for non-house-banked card games, such as poker. Specifically, the proposed change would:

- Increase the maximum amount of a single wager on any authorized poker game, not just Texas Hold ‘Em, from \$40 to \$100 at a Class F card rooms; and
- Increase the maximum amount of a single wager on any authorized poker game, not just Texas Hold ‘Em, played at house-banked card room licensees to \$300, the same limits as those for house-banked card games.

**George Teeny** explained his petition had some cross-over with Ms. Malphrus petitions, but he was asking to consider an approval of increasing the wager limit to \$300 in house-banked rooms only. He said his rationale was the similarities between the house-banked rooms and the poker rooms after speaking to his RGA partners. He explained the play of the game and betting scenarios. He wants to create the no limit atmosphere for these smaller games.

**Ian Riley**, Black Pearl, Spokane, spoke in favor of the \$300 poker wagering limit, and the ability to offer a more exciting game to those willing to play. **Ms. Malphrus** also spoke in favor of the increased poker wagering limit.

**Commissioner Troyer made the motion to file for further discussion.**

**Commissioner Gray seconded the motion.**

**Motion Approved 4:1.**

**Commissioner Patterson voted nay.**

**Vice-Chair Sizemore** said he would feel better about making decisions if he could see the play in action with the wagering limits being proposed. A discussion ensued about holding the second day of the July Commission meeting as a special poker demonstration day. Victor Mena offered his venue, Silver Dollar in SeaTac to hold the meeting.

### **Petition from Recreational Gaming Association**

- WAC 230-15-025 Hours of play.
- 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 – Promotional Contests of Chance (PCOC)

Requesting the following rule changes:

**Hours of Play** (WAC 230-15-025): The proposed change would allow house-banked card rooms to be open 24 hours a day, seven days a week. Currently, house-banked card rooms can be open 24 hours a day, five days a week. On the remaining two days, they must be closed for a four hour period.

**Promotions** (WAC 230-06-030): The proposed change would allow operators to offer gambling promotions that:

- Allow entry based on disclosed criteria;
- Offer lottery tickets as a prize;
- Add additional merchandise or cash prizes to licensed gambling activities;
- Allow licensed manufacturers, distributors, and service suppliers to give licensees cash or merchandise to offer as a prize;
- Allow card rooms to use a physical drawing, spinning a wheel or selection from a group of concealed items to award a prize;
- Are not reviewed or approved by us when offered as outlined in the rule.

When offering gambling promotions, operators (1) must offer to all patrons of their establishments, (2) cannot use second elements of chance (spinning wheels, drawings, etc.) except for bingo operators and (3) cannot offer lottery tickets as prizes.

**Use of wheels in promotions** (WAC 230-06-031): The proposed change would allow card room licensees to use spinning wheels in conjunction with promotions they offer to customers. Currently, card room licensees cannot use spinning wheels in conjunction with promotions.

**Assistant Director Tina Griffin** explained the reasons for the rules petition request from Recreational Gaming Association. Dolores Chichi and Victor Mena both spoke in favor of the rule changes.

**Vice-Chair Sizemore made a motion to file for further discussion.**

**Commissioner Gray seconded the motion.**

**Motion Approved 5:0.**

**New Licenses and Class III Employees** *presented by Tina Griffin, Assistant Director*

**Assistant Director Tina Griffin** noted there were currently 50 house-banked card rooms operating. Ms. Griffin presented the licensees for approval on page 1 through 16.

**Vice Chair Sizemore** moved to approve the Class III gaming employees.

**Commissioner Gray** seconded

**Approved 5:0.**

### **Snoqualmie Class III Certifications**

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**Commissioner Patterson** moved to approve.  
**Commissioner Gray** seconded  
**Approved 4:0. (Chair Stearns abstained from voting.)**

**Defaults presented by Brian Considine, Managing Attorney**

This month we had four defaults. Managing Attorney Brian Considine explained each case. Staff recommended license revocation on all four defaults. **Each default approved 5:0.**

## **- PUBLIC MEETING -**

**Presentation – Fee Restructure Discussion presented by Deputy Director Amy Hunter**

**DD Amy Hunter** presented to the Commissioners. The current fee structure was created in 1973. Vice-Chair Sizemore has led the efforts to have staff ask the same question with our fee structure as we asked with the agency restructure: If the fee structure were created today, what would be the best structure? Two options were given to either simplify the current existing fee structure (Option A) or to create a new fee structure (Option B). DD Hunter explained both systems would be a change, both would require outreach to stakeholders and both would require rule changes. Staff recommends Option B with stakeholder outreach this summer and a report back at the October Commission meeting. Three people testified: Cameron Baker, Victor Mena & Monty Harmon.

**Vice Chair Sizemore** moved staff explore Option B and reach out to stakeholders.

**Commissioner Gray** seconded.

**Approved: 5:0.**

**Approval of Minutes – March 2016 Commission Meetings – Held to July.**

**Nomination and Election of Chair & Vice-Chair - Effective July 1, 2016 to June 30, 2017**

**Chair Stearns** thanked the Commissioners and staff, and opened the floor for nominations for Chair. **Commissioner Patterson** nominated Vice Chair Sizemore as Commission Chair for the term expiring on June 30, 2017. **Commissioner Gray** seconded the nomination. Approved.

**Chair Stearns** asked if there was a motion to nominate a Commissioner for the vice-chair position. **Commissioner Sizemore** nominated Commissioner Patterson as Commission Vice-Chair for the term expiring on June 30, 2017. **Commissioner Gray** seconded the nomination. Approved.

**Other Business/General Discussion/Comments from the Public**

Four people testified: Jesse Stiltner read part of a letter from Amusement Distributors of Washington (ADOW) regarding the recent amendments and enforcement activities imposed. The letter was entered into the record. Pat Tompkins, Sound Amusements, stated he reluctantly supports the statement from ADOW. He was looking forward to working with the commission and staff, unfortunately with the recent amendments it has turned into something that is not economically viable for his company. Ralph Carlson, Digital Music Systems, said he was in agreement with Mr. Tompkins regarding the economic impact. Jay Gerow, ZDI Gaming, stated he was in support of the letter from ADOW.

**Chair Stearns adjourned the meeting at 5:42pm**

**The next meeting of the  
Washington State  
Gambling Commission  
will be held**

**Thursday, August 11, 2016  
Friday, August 12, 2016**

**at the**

**South Puget Sound Community College  
4220 6<sup>th</sup> Avenue SE  
Lacey, Washington 98503  
(360) 596-5333**

*The Public is encouraged to attend.  
Please feel free to post this notice at your business.*