



Amended:

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

May 2016 – Further Discussion

April 2016 – Further Discussion

March 2016 – Up for Discussion and Filing

ITEM 7: May 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	
<u>Bold/Underline = Changes made after the April 2016 Commission Meeting</u>	
<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><u>At the April Commission meeting, Chair Stearns asked that we revise the language to better explain the preview function, see Option 2A.</u></p> <p>A Small Business Economic Impact Statement was not prepared because the rule change would impose only minor costs on licensees.</p> <p>Attachments:</p> <p>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.”</p>	
Licensee Impacts	
<ul style="list-style-type: none"> • <u>As of April 2016, we have approximately 385 Group 12 amusement games in Washington. A few licensees have not responded to our request for information on the number of games in their warehouse.</u> • As of February 8, 2016, there were approximately 430 Group 12 amusement games in the state with about 280 in operation at licensed locations. • 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.

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

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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

(~~3~~) When a game presents a potential winning pattern, the puzzle must be capable of completion within the predetermined time period; and

(~~4~~) Group 12 amusement games are for adults over the age of twenty-one only and may only be operated by licensees where persons under the age of 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.