

Proposed Amendment to:

WAC 230-13-150

Amusement game locations.

WAC 230-13-080

Operating coin or token activated amusement games.

230-13-135

Maximum wagers and prize limitations at certain amusement game locations.



July 2009 – Final Action

June 2009 – No Commission Meeting

May 2009 – Held over at Request of Staff

April 2009 – Discussion

March 2009 – Study Session

February 2009 – Filed For Discussion

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| ITEM 7 (a)-(c) on the July 10, 2009, Commission Meeting Agenda. Statutory Authority 9.46.070 |
| Who proposed the rule change? |
| Staff. |
| Proposed Change |
| <p>The proposed change would add family sporting complexes, whether operated by commercial or a charitable/nonprofit organization, as an authorized location to operate amusement games. The proposed amendments would do the following:</p> <ul style="list-style-type: none"> • WAC 230-13-150: Allow a charitable or nonprofit organization to operate amusement games at a family sports complex. • WAC 230-13-080: Allow a charitable or nonprofit organization to operate coin operated or token activated amusement games at a family sports complex. • WAC 230-13-080: Remove the restriction that a charitable or nonprofit organization be licensed for bingo or punch board/pull-tabs in order to operate amusement games. We don't see a regulatory reason for this restriction. • WAC 230-13-135: Incorporate family operated sports complexes into the maximum wager and prize limitation rule. <p>Changes made at the April 2009 Commission Meeting: Housekeeping: "es" added to family sporting complex<u>es</u>.</p> <p>Changes made after the May 2009 Commission Meeting: Staff asked that this proposal be held over until the July 2009 meeting to determine if this rule change would allow amusement games at a school's sports field. Language was added to clarify that a family sports complex does not include a facility owned or operated by a school or school district.</p> <p>Attachments:</p> <ul style="list-style-type: none"> • Excerpts from the February 2008 Commission meeting minutes where the Starfire Sports petition was filed for discussion. • Excerpts from the May 2008 Commission meeting minutes where the Starfire Sports petition was approved. |
| History of Rule |
| In May 2008, this rule was amended after a petition submitted by Starfire Sports to add a new location for placement of authorized amusement games. The change became effective July 1, 2008. The location |

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| added was a “commercially operated family sports complex.” Unfortunately, it was not known by staff that the petitioner was a nonprofit organization, not a “commercially operated” sports complex. |
| Impact of the Proposed Change |
| This change will allow amusement games to be operated at a family sports complex, operated by either a commercial or charitable/nonprofit organization, as intended by the Commission’s prior approval. |
| Regulatory Concerns |
| None |
| Resource Impacts |
| Minimal. |
| Policy Consideration |
| None. |
| Statements Supporting the Proposed Rule Change |
| None. |
| Statements Opposing the Proposed Rule Change |
| None. |
| Licensees Directly Impacted By the Change |
| Family sports complexes and bona fide charitable and nonprofit licensees. |
| Staff Recommendation |
| Adoption of staff’s amended version. |
| Proposed Effective Date for Rule Change |
| Staff recommends an effective date of 31 days from adoption. HB 1217, which allows the Commission to authorize amusement game locations, becomes effective July 26, 2009. |

Amendatory Section:

WAC 230-13-150 Amusement game locations.

(1) Amusement game operators must obtain written permission to operate at any location from the person or organization owning the premises or sponsoring the event where the operator will hold the activity.

(2) Operators may only conduct commercial amusement games at:

(a) Locations set out in RCW 9.46.0331; and

(b) ~~Commercially operated family sports complexes, offering sports such as indoor and outdoor soccer, lacrosse, baseball, Frisbee, and lawn bowling;~~

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; and

(c) Skating facilities; and

(d) 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.

(3) Operators must conduct amusement games in conformance with local zoning, fire, health, and similar regulations.

Highlight = Changes made at the April 2009 Commission meeting.

Bold = Changes made after the May 2009 Commission meeting.

Amendatory 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) ~~Commercially operated family sports complexes, offering sports such as indoor and outdoor soccer, lacrosse, baseball, Frisbee, and lawn bowling;~~

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; or

~~(k) Any premises that a charitable or nonprofit organization currently licensed to operate punch boards, pull tabs, or bingo controls or operates.~~

(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.

Highlight = Changes made at the April 2009 Commission meeting.

Bold = Changes made after the May 2009 Commission meeting.

Amendatory Section:

WAC 230-13-135 Maximum wagers and prize limitations at certain amusement game locations.

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

- (1) Regional shopping centers; and
- (2) Movie theaters; and
- (3) Bowling alleys; and
- (4) Miniature golf course facilities; and
- (5) Skating facilities; and
- (6) ~~Commercially operated family sports complexes, offering sports such as indoor and outdoor soccer, lacrosse, baseball, Frisbee, and lawn bowling;~~

Family sports complexes.

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

- (7) Amusement centers; and
- (8) 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) Any business whose primary activity is to provide food service for on premises consumption.

Highlight = Changes made at the April 2009 Commission meeting.

Bold = Changes made after the May 2009 Commission meeting.



Proposed New Rule
WAC 230-15-267

Remote access of closed circuit television surveillance systems.

July 2009 – Final Action
June 2009 - No Commission Meeting
May 2009 - Study Session
April 2009 - Filed for Discussion
March 2009 -- Study Session
February 2009 – Study Session
January 2009 – Study Session
December 2008 - Study Session
November 2008 - Study Session

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| ITEM 8 (a) on the July 10, 2009, Commission Meeting Agenda. | Statutory Authority 9.46.070 |
| Who proposed the rule change? | |
| Staff. | |
| Proposed Change | |
| <p>This new rule allows licensed gambling service suppliers who install and maintain closed circuit television surveillance systems (CCTV) to remotely access digital CCTV systems for maintenance or repair under the following restrictions:</p> <ol style="list-style-type: none"> 1. The card room licensee must notify us before the remote access occurs; and 2. The card room licensee must document any remote access in their surveillance log; and 3. Remote access will only be enabled for the duration of the maintenance or repair and the connection terminated immediately after. | |
| History of Rule | |
| <p>We require Class F and house-banked card game licensees to install and maintain CCTV system. Licensees may use either analog or digital recording equipment. There are no rules that specifically address whether or not licensed service suppliers should be allowed to remotely access digital CCTV systems for maintenance or repair.</p> <p>Licensed service suppliers have been permitted to conduct periodic remote access to digital systems to install upgrades and perform maintenance. The purpose of this new rule is to codify current industry practice and clarify that only licensed service suppliers can have remote access. Remote access to the Internet will only be allowed for the duration of the maintenance or repair and the connection terminated immediately after.</p> | |
| Impact of the Proposed Change | |
| <p>Impact on Card Game Licensees and Licensed Service Suppliers</p> <p>Service suppliers licensed to install and maintain CCTV systems will be able to remotely access digital CCTV systems for maintenance or repair. This is convenient for both card game licensees and service supplier licensees. Card game licensees will not have to wait for a licensed service supplier representative to physically come out to the card room to perform maintenance or repair work. Many licensed service suppliers are not located near card rooms with digital surveillance. Accessing a digital system remotely can be done almost immediately. This means that any problems with a digital surveillance system could potentially be corrected faster. In addition, card game licensees could potentially save money by not having a person come out to the card room to perform the maintenance or repair work. Licensed service suppliers could also potentially save money because they would not have to pay for traveling costs (i.e. airline fare, gas, traveling costs, etc.) for representatives to perform maintenance or repair work in person at card rooms. In addition, much of the maintenance or repair work may only take a few seconds, such as</p> | |

downloading a patch. Therefore, the proposed rule change, if adopted, may save service supplier representatives maintenance or repair time.

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

Regulatory Concerns

None.

Resource Impacts

Additional staff time may be needed to approve remote access requests and review surveillance logs of card game licensees.

Policy Consideration

None.

Statements Supporting the Proposed Rule Change

None.

Statements Opposing the Proposed Rule Change

None.

Licensees Directly Impacted By the Change

House-banked card rooms, Class F card rooms, and Service Suppliers licensed to install and maintain CCTV digital systems.

Staff Recommendation

Adoption.

Proposed Effective Date for Rule Change

January 1, 2010.

New Section:

WAC 230-15-267 Remote access of closed circuit television surveillance systems.

Licensed gambling service suppliers that install and maintain closed circuit television (CCTV) surveillance systems may remotely access digital CCTV systems for maintenance or repair under the following provisions:

1. The card room licensee must notify us before the remote access occurs; and
2. The card room licensee must document any remote access in their surveillance log; and
3. Remote access will only be enabled for the duration of the maintenance or repair and the connection terminated immediately after.



Proposed Amendment

WAC 230-15-145

Making wagers with chips or coin.

July 2009 - Final Action

June 2009 - No Commission Meeting

May 2009 - Study Session

April 2009 - Study Session

March 2009 - Filed for Discussion

ITEM 9 (a) on the July 10, 2009, Commission Meeting Agenda. Statutory Authority 9.46.070

Who proposed the rule change?

Lance Dodd, licensed poker manager.

Proposed Change

The petitioner requests that players be allowed to use half dollars or quarters to pay fees in nonhouse-banked card games.

The petitioner, a licensed poker manager, states this would give poker operators a more accurate way to collect fees (rake) associated with poker games.

Attachments:

- Petition for Rule Change and letter received February 5, 2009.
- Proposed changes to WAC 230-15-145

History of Rule

WAC 230-15-145 requires players to make wagers and pay fees using chips. There is an exception that allows players to use half dollars and quarters in house-banked card games. The petitioner is requesting that players in nonhouse-banked games, primarily poker, be allowed to use half dollars or quarters to pay fees. This would allow poker operators to collect additional fees.

Licensees utilizing the rake method to collect fees are limited to a maximum of 10% of the pot or \$5 whichever is less. The proposed change does not affect this fee limit.

For example: A typical fee structure in a poker game using a rake might be 10% of the pot or a maximum of \$3. If the pot size were \$28, the licensee is only able to rake two \$1 chips for the \$2.80 fee. Most card room operators round down to the nearest dollar so they do not go over the 10% maximum allowed fee. In this scenario, the licensee would not be able to collect \$0.80 in fees because they typically do not have chip denomination below \$1. By allowing half dollars or quarters, the licensee would be able to rake two \$1 chips plus an additional \$0.75 in coins, collecting a fee closer to their advertised fee structure.

This rule was recently changed, effective 1/1/09, to allow dimes and nickels to be used in all games that charge a commission, not just Pai Gow poker. The change was requested by the Recreational Gaming Association in conjunction with their request to authorize Mini-Baccarat.

Impact of the Proposed Change

We anticipate little to no impact on the agency. Coins are currently allowed in house-banked card games and we have not had significant issues related to coins. Our regulatory work will not change.

The petitioner states that nonhouse-banked card game licensees could see additional revenue by being able to collect closer to the 10% maximum allowable fee.

A small business economic impact statement was not prepared because the rule change would not impose additional costs on any licensees.

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| Regulatory Concerns |
| We do not anticipate regulatory issues or additional regulatory work needed to monitor this change. |
| Resource Impacts |
| We anticipate no additional resources needed to implement or monitor activities due to this rule change. |
| Policy Consideration |
| None. |
| Statements Supporting the Proposed Rule Change |
| None. |
| Statements Opposing the Proposed Rule Change |
| None. |
| Licensees Directly Impacted By the Change |
| Licensees offering nonhouse-banked card games. |
| Staff Recommendation |
| Final Action. |
| Proposed Effective Date for Rule Change |
| The petitioner verbally requested an effective date of 31 days from filing. Due to the timelines for considering the rule proposal, staff does not oppose an effective date of 31 days from filing. |

Amendatory Section:

WAC 230-15-145 Making wagers with chips or coin.

Players in card games must make all wagers and pay fees to play card games with chips, except that:

(1) Players may use half dollars or quarters in house-banked card games; and in nonhouse-banked card games to pay fees.

(2) Players may use dimes and nickels in any game that allows a commission to be charged.



Proposed Amendment to:

WAC 230-15-455

Keeping funds to pay prizes, progressive jackpot prizes, and odds-based wager prizes.

July 2009 - Final Action

June 2009 - No Commission Meeting

May 2009 – Study Session

April 2009 – Amended Petition Filed For Discussion

March 2009 – Study Session

February 2009 – Study Session

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| ITEM 10 (a) on the July 10, 2009, Commission Meeting Agenda. | Statutory Authority 9.46.070 |
| Who proposed the rule change? | |
| The Recreational Gaming Association. | |
| Proposed Change | |
| <p>The Recreational Gaming Association (RGA) requests that WAC 230-15-455 be amended to eliminate the requirement for house-banked card room licensees to maintain an amount equal to all individual odds-based wager prizes offered which are greater than \$25,000 in a separate bank account. An "odds-based wager" means a wager where the player wins an amount over and above the amount he or she wagered if a fixed pattern or combination of cards occurs, for example, a royal flush, four aces, or a pair. Since the "odds based wager" prize is incorporated in the minimum cash on hand calculation, there is no longer a need for these funds to be held in a separate bank account.</p> <p>The proposed change would allow house-banked licensees who offer more than one individual odds-based wager prize greater than \$25,000 to keep an amount equal to the second highest odds-based wager prize in a bank, mutual savings bank, or credit union in Washington state or possess a verifiable line of credit from a Washington state financial institution.</p> <p>House-banked card room licensees are currently required to keep \$1,000 for each house-banked table on the gambling floor plus the amount of the largest single prize available in their cage, safe, and vault combined (WAC 230-15-050). WAC 230-15-050 already requires house-banked card room licensees to keep the largest single prize available in their cage. The proposed rule change would require the house-banked card room licensees to also keep an amount equal to the second highest odds-based wager in a bank account or through a verifiable line of credit.</p> <p>Attachments:</p> <ul style="list-style-type: none"> • Amended proposed language submitted by RGA for WAC 230-15-455 • Petition dated January 20, 2009, and original proposed change to WAC 230-15-455. The petitioner agreed to hold over their petition so they would have time to work with staff to develop language that better fit their intent. The amended petition was filed at the April 2009 Commission meeting. | |
| History of Rule | |
| <p>WAC 230-15-455 has not been amended since it became effective in 2000 (previous WAC 230-40-808) when the other house-banked card room rules were passed. The rule was written to ensure house-banked card room licensees had enough money on hand in a separate bank account to pay out progressive jackpot prizes and the total of all individual prizes offered which exceed \$25,000.</p> <p>House-banked card room licensees have not been offering odds-based prizes over \$25,000 so they have not been required to keep funds in a separate account. House-banked card room licensees have always been required to payout all prizes offered, but because the individual prizes did not exceed \$25,000 they were not required to keep them in a separate account.</p> | |

When the wagering limits increased from \$200 to \$300 the aggregate amount set for the odds-based wager prizes also increased. House-banked card room licensees are now offering odds-based prizes of \$30,000.

House-banked licensees who are offering the \$300 wagering limits may have several tables with odds-based wager prizes of \$30,000. Under the current rule, house-banked card room licensees are required to keep the total of all of these prizes in a separate bank account. If a licensee is operating four house-banked tables that offer odds-based wager prizes of \$30,000 they would be required to keep \$120,000 in a separate bank account.

The house-banked card room licensees are also required to keep funds in the cage, safe, and/or vault as required by WAC 230-15-050. WAC 230-15-050 is a new rule and was not required when WAC 230-15-455 became effective.

Impact of the Proposed Change

Impact on Licensees:

Licensees who offer odds-based wager prizes over \$25,000 will not be required to keep funds in a separate bank account which will allow them more flexibility.

A small business economic impact statement was not prepared because the rule change would not impose additional costs on any licensees.

Regulatory Concerns

None. WAC 230-15-050 already requires licensees to have cash in their cage, safe, and vault to pay out the amount of the largest single prize. The house-banked card room licensees will also be required to keep an amount equal to the second highest odds-based wager in a bank account or through a verifiable line of credit as opposed to all of the funds in a separate bank account.

Resource Impact

None.

Policy Consideration

None.

Statements Supporting the Proposed Rule Change

At the April 2009 Commission meeting, Dolores Chiechi spoke in support of the petition.

Statements Opposing the Proposed Rule Change

None.

Licensees Directly Impacted By the Change

House-banked card game licensees.

Staff Recommendation

Final Action.

Proposed Effective Date for Rule Change

The petitioner did not specify an effective date. Due to the timelines for considering the rule proposal, staff does not oppose an effective date of 31 days from filing.

WAC 230-15-455 Keeping funds to pay prizes, progressive jackpot prizes, and odds-based wager prizes. (1) House-banked card game licensees must ensure that they have sufficient funds available to pay prizes, progressive jackpot prizes and odds-based wager prizes. An "odds-based wager" means a wager where the player wins an amount over and above the amount he or she wagered if a fixed pattern or combination of cards occurs, for example, a royal flush, four aces, or a pair.

(2) Licensees must not offer card games until they have met all of these requirements:

(a) Progressive jackpot prizes.

(i) Keep a separate bank account for progressive jackpot prizes ~~and odds-based wager prizes.~~ The account must be kept in a bank, mutual savings bank, or credit union located in Washington state; and

~~(b) Keep in the account an amount equal to all individual odds-based wager prizes offered which are greater than twenty-five thousand dollars and all progressive jackpot prize funds; and~~

~~(c) Use the highest wager they allow to calculate the individual odds-based wager prize amount and determine the deposit requirement; and~~

~~(d) (ii) Deposit ~~at least weekly~~~~ all funds accrued for progressive jackpot prizes at least weekly.

(iii) If the prize bank account is reduced below the level required, licensees must immediately stop operating games until they are in compliance.

(b) Odds-based wager prizes.

(i) Licensees offering more than one individual odds-based wager prize greater than twenty-five thousand dollars must keep an amount equal to the second highest odds-based wager prize offered in a bank, mutual savings bank, or a credit union located in Washington state; or possess a verifiable line of credit from a Washington state financial institution for at least the amount required; and

(ii) Use the highest wager they allow to calculate the individual odds-based wager prize amount to determine the amount for this requirement; and

(3) Licensees may limit pay outs by using table and/or individual player aggregates.

~~(4) If the prize bank account is reduced below the level required, licensees must immediately stop operating games until they are in compliance.~~

(5) A licensee's failure to keep funds as required in this rule is prima facie evidence of defrauding the public and a violation of RCW 9.46.190.

[Statutory Authority: RCW 9.46.070. 07-09-033 (Order 608), § 230-15-455, filed 4/10/07, effective 1/1/08.]



Proposed Amendment to:
WAC 230-15-040
Requirements for authorized card games.

July – Petitioner’s Alternative #1 Up for Filing
June 2009 – No Commission Meeting
May 2009 – Petitioner’s Original Proposal Filed for Discussion

ITEM 12 (a) on the July 10, 2009, Commission Meeting Agenda. Statutory Authority 9.46.070

Who proposed the rule change?

Robert Saucier, Galaxy Gaming, Inc.

Proposed Change

The petitioner is requesting that the maximum number of games allowed within a single hand of cards be increased from three to six. He has stated verbally to staff that he wants the rule change because he plans to request approval of a new type of card game. The petitioner states the reason for the rule change is that WAC 230-15-040 is no longer needed.

Staff understands the proposed card games feature four games within a single hand. Emperor’s Challenge is one of these games and it has been approved for use at tribal casinos using four games within a hand. Emperor’s Challenge using three games within a hand has been approved for use at house-banked card rooms.

April 2009 Commission Meeting:

At the April meeting, the Commission continued the petition for additional action at the May meeting.

May 2009 Commission Meeting:

- **Petitioner’s Original Proposal: At the May meeting, the Commission filed the petitioner’s original proposal. At the May meeting, Mr. Saucier stated that his intent was not to increase the wager limit and he would be open to amending his petition to limit total wagers.**
- **Petitioner’s Alternative #1: The petitioner proposes that no more than three of the games offer a wager that exceeds five dollars each.**
- **Housekeeping: “Card” was added to subsection (1) to distinguish between a card game and a game played within a hand of cards.**

Attachments:

- 1) Petition received February 19, 2009.
- 2) Original Proposed amendment to WAC 230-15-040 filed at the May 2009 Commission meeting.
- 3) **Alternative #1 proposed by the Petitioner – Up for Filing at the July 2009 Commission meeting.**
- 4) Petitioner’s PowerPoint presentation given at the May 2009
- 5) Commission meeting minutes from April 2007 and July 2007 regarding Shuffle Master’s Petition.

History of Rule

Up until December 31, 2007, no more than two separate games were allowed to be played within a single hand of cards (WAC 230-40-010). Bonus features and progressive jackpots associated with a house-banked table game are considered separate games. An example of a house-banked table game with at least two separate games within a single hand of cards is Fortune Pai Gow. In the game Fortune Pai Gow, a player can place two separate wagers: standard wager and bonus wager. A player could place a maximum wager on each betting spot for a total wager of \$600 per hand.

In March 2007, Shuffle Master Gaming submitted a Petition for Rule Change to increase the maximum number of games allowed within a single hand of cards from two to three. The rule amendment was approved and became effective January 1, 2008. Approximately ten card games with three games within a single hand have been approved by staff. An example of a house-banked table game with at least three separate games within a single hand of cards is Progressive Fortune Pai Gow. In the game Progressive Fortune Pai Gow, a player can place three separate wagers: standard wager, bonus wager, and progressive jackpot wager (Commission meeting minutes from April 2007 and July 2007 attached).

Tribal casinos do not have restrictions on the number of games allowed within a single hand. There is currently a card game approved for play, but not currently in play, in tribal casinos that offers thirteen separate wagers in a single hand.

Impact of the Proposed Change

Impact on House-Banked Card Room Licensees

If the petition for rule change is approved, house-banked card room licensees will be able to offer games where a player could place six separate wagers within a single hand of cards. House-banked card room licensees will be able to offer players a different set of games that they have not seen before. This new game mix may attract players to the card rooms.

In many games, the additional games (betting spots) result in an increased hold for the house.

Impact on Commission

See regulatory concerns and resource impacts.

A small business economic impact statement was not prepared because the rule change would not impose additional costs on any licensees.

Regulatory Concerns

If house-banked card room licensees offer games with more than three wagers (games) within a single hand of cards, there may be an increase in dealer procedural errors (misdeal or incorrect payouts) and/or cheating or theft (cap a bet, pinch bet, switch cards, etc.). Dealers will have to watch more games on one hand. As the number of games within a single hand of cards increases, so do the number of additional payouts to memorize and more bets/chips on the table to track. The rule change may increase criminal activity in card rooms.

Resource Impacts

Additional staff time will be needed to review new games submitted for approval. If the games prove to be popular, additional staff training and regulatory time will be needed.

Policy Consideration

Petitioner's Original Version: The petitioner's request that was filed at the May 2009 meeting had the potential to double the maximum wager amount in a single hand.

Petitioner's Alternative #1: The petitioner proposes that no more than three of the games offer a wager that exceeds five dollars each.

The petitioner has described a game that uses four games within a hand, but has requested an amendment to six, without describing what types of games may result from the increase.

The Commission increased the:

- Number of games in a single hand from two to three, effective January 1, 2008.
- House-banked card game wager limits from \$200 to \$300, effective January 1, 2009.
- Number of players at a house-banked card table from seven to nine, effective January 1, 2009.

Statements Supporting the Proposed Rule Change

At the May 2009 Commission meeting, Mr. Saucier testified in support of his petition.

Statements Opposing the Proposed Rule Change

None.

Licensees Directly Impacted By the Change

House-banked card game licensees.

Staff Recommendation

File the petitioner's Alternative #1 for further discussion.

Proposed Effective Date for Rule Change

The petitioner requests an effective date of 31 days after adoption. However, if the Commission chooses to adopt the rule change, staff recommends an effective date of January 1, 2010.

**Petitioner's Proposed Alternative #1
Up For Filing at the July 2009 Commission Meeting**

Amendatory Section:

WAC 230-15-040 Requirements for authorized card games.

(1) In order for a card game to be authorized, the card game must:

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

(b) Offer no more than ~~three~~ six separate games with a single hand of cards. **However, no more than three of the games may offer a wager that exceeds five dollars each.** We consider bonus features and progressive jackpots separate games. If a player does not have to place a separate wager to participate, we do not consider it a separate game. An example of this is an "envy" or "share the wealth" pay out when another player achieves a specific hand; and

(c) Not allow side bets between players.

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

(3) Players must:

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

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

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

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

(ii) An "envy" or "share the wealth" wager which allows a player to receive a prize if another player wins a jackpot or odds-based wager; or

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

(4) Mini-Baccarat is authorized when operated in the manner explained for Baccarat in the most current version of *The New Complete Hoyle, Revised* or *Hoyle's Encyclopedia of Card Games*, or similar authoritative book on card games we have approved. However:

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

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

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

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

Bold = Petitioner is requesting that this language be added.



Rule Up For Discussion and Possible Filing

Amendatory Sections

WAC 230-11-014

Maximum raffle ticket price.

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| ITEM 13 (a) on the July 10, 2009, Commission Meeting Agenda. Statutory Authority 9.46.070 |
| Who proposed the rule change? |
| Staff |
| Proposed Change |
| The proposed change is to implement Engrossed House Bill 1053, which increases the maximum price a raffle ticket can be sold for from \$25 to \$100. This law becomes effective July 26, 2009. |
| Attachment: EHB 1053 |
| History of Rule |
| The maximum price a raffle ticket could be sold for was increased to \$25 in 1995. Before that, the price limit was \$5. |
| Impact of the Proposed Change |
| None. |
| A small business economic impact statement was not prepared because the rule change would not impose additional costs on any licensees. |
| Regulatory Concerns |
| None. |
| Resource Impact |
| None. |
| Policy Consideration |
| None. |
| Statements Supporting the Proposed Rule Change |
| None. |
| Statements Opposing the Proposed Rule Change |
| None. |
| Licensees Directly Impacted By the Change |
| Charitable or nonprofit organizations that offer raffles. |
| Staff Recommendation |
| File for further discussion. |
| Proposed Effective Date for Rule Change |
| The legislation becomes effective July 26, 2009. Staff recommends an effective date of 31 days from adoption. |

Amendatory Section:

WAC 230-11-014 Maximum raffle ticket price.

Raffle tickets must not be sold for more than ~~twenty-five~~ one hundred dollars each.



Rule Up For Discussion and Possible Filing

Proposed Amendment to
WAC 230-07-020
Making “significant progress.”

| | |
|--|------------------------------|
| ITEM 14 (a) on the July 10, 2009, Commission Meeting Agenda. | Statutory Authority 9.46.070 |
| Who proposed the rule change? | |
| Staff | |
| Proposed Change | |
| <p>This change restores the requirements for demonstrating significant progress for all charitable or nonprofits licensees, not just Groups IV and V.</p> <p>Making significant progress is required under RCW 9.46.0209.</p> <p>Attachment: RCW 9.46.0209</p> | |
| History of Rule | |
| <p>Prior to the Rules Simplification Project (RSP), significant progress was defined in WAC 230-08-255. During the RSP, demonstrating significant progress was inadvertently limited to Groups IV and V.</p> | |
| Impact of the Proposed Change | |
| <p>None. All charitable or nonprofit licensees are already required to demonstrate that they have made significant progress.</p> <p>A small business economic impact statement is being prepared and will be available at the August 2009 Commission meeting.</p> | |
| Regulatory Concerns | |
| None. | |
| Resource Impacts | |
| None. | |
| Policy Consideration | |
| None. | |
| Statements Supporting the Proposed Rule Change | |
| None. | |
| Statements Opposing the Proposed Rule Change | |
| None. | |
| Licensees Directly Impacted By the Change | |
| Groups I, II, and III charitable and nonprofit licensees. | |
| Staff Recommendation | |
| File for further discussion. | |
| Proposed Effective Date for Rule Change | |
| Staff recommends an effective date of 31 days from adoption. | |

Amendatory Section:

WAC 230-07-020 Making "significant progress."

Charitable or nonprofit licensees ~~in Groups IV and V~~ must make "significant progress" toward their stated purpose. They have made "significant progress" when they have:

- (1) Complied with all requirements set forth in their bylaws and articles of incorporation; and
- (2) Actively engaged in providing services to the public or their members during the fiscal year under review, and the services directly relate to the stated purposes of the organization; and
- (3) Held elections to select officers at least once in the previous two years; and
- (4) Held a general membership meeting to conduct the business of the organization at least once in the previous two years; and
- (5) Used a substantial portion of the licensees' "available resources" for providing program services during the fiscal year under review. For purposes of this section, "available resources":
 - (a) Include the income generated by or from:
 - (i) The net of all activities used to raise funds, including net gambling income; and
 - (ii) Grants, gifts, and contributions from private sources; and
 - (iii) Public support.
 - (b) Does not include:
 - (i) Funds generated in periods other than the fiscal year under review; or
 - (ii) Funds that are raised or contributed from outside the organization for purposes of purchasing land or capital assets or to endow future operations when those funds are specifically identified by the board or contributors as restricted and separately recorded in the organization's records; or
 - (iii) Net income from the sale of assets; or
 - (iv) Fees paid by members or the public to receive services or to participate in specific activities. (Example: Fees to attend a swimming lesson or event.) These fees must be classified as a reduction to both program service and supporting service expenses on a pro rata basis and as a reduction to resources available for providing services in the fiscal year. (Example: In the chart below, licensee X has revenue of five thousand dollars. They must calculate the pro rata reduction by adjusting the total by the

percentages of support services, program services expenses, and functional expenses.)

(6) This rule will be effective for fiscal years ending on or after December 31, 2009.

| Revenue | | | | | | | | | |
|-------------------------|--------------------------|--|-------------------|--|---|--|-------------------|---------|------------------------|
| Fees paid by public | | | | | | | | \$5,000 | |
| Calculation: | | | | | | | | | |
| Expenses | Unadjusted Amount | | % of Total | | Pro Rata Reduction Fees Paid by Public (\$5,000) | | % of Total | | Adjusted Amount |
| Support Service Expense | \$35,000 | | 32% | | (\$1,591) | | 32% | | \$33,409 |
| Program Service Expense | \$75,000 | | 68% | | (\$3,409) | | 68% | | \$71,591 |
| Functional Expenses | \$110,000 | | 100% | | (\$5,000) | | 100% | | \$105,000 |



Rule Up For Discussion and Possible Filing

Proposed Amendment to
WAC 230-06-095

Change given name, trade name, or corporate name.

| | |
|--|------------------------------|
| ITEM 15 (a) on the July 10, 2009, Commission Meeting Agenda. | Statutory Authority 9.46.070 |
| Who proposed the rule change? | |
| Staff | |
| Proposed Change | |
| <p>Staff is proposing an amendment to allow individuals (for example, card dealers, distributor representatives, bingo managers, etc.) to report name changes 30 days after the effective date of the change. Currently, they must report a name change 30 days before the change. Individuals are unable to submit proof of a name change until after their name is legally changed (for example, divorce or marriage).</p> <p>Organizations and businesses would still be required to request a name change 30 days before the effective date of the change.</p> | |
| History of Rule | |
| <p>The rule currently requires organizations and individuals to report name changes 30 days before the effective date of the change. This requirement is easy for name changes of organizations and businesses; however, staff has found it to be problematic for individual name changes.</p> <p>Changing the requirement to allow individuals to report name changes 30 days after the fact will streamline processes for licensees and staff.</p> | |
| Impact of the Proposed Change | |
| <p>Impact on Individual Licensees Individual licensees will continue to be out of compliance prior to their name legally changing.</p> <p>Impact on Staff Based on the current requirements, individuals who change their name (marriage, divorce, etc.) are required to report the change 30 days prior to the effective date of the change. At that time, staff initiates the process, but cannot complete the process until the change has taken effect. Once the change is effective, the licensee must report to the Commission staff a second time. The current requirement is causing staff to perform additional work that could be avoided. This amendment would eliminate the need for the additional work by both staff and licensees.</p> <p>A small business economic impact statement was not prepared because the rule change would not impose additional costs on any licensees.</p> | |
| Regulatory Concerns | |
| None. | |
| Resource Impacts | |
| None. | |
| Policy Consideration | |
| None. | |
| Statements Supporting the Proposed Rule Change | |
| None. | |

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| Statements Opposing the Proposed Rule Change |
| None. |
| Licensees Directly Impacted By the Change |
| All licensees. |
| Staff Recommendation |
| File for further discussion. |
| Proposed Effective Date for Rule Change |
| January 1, 2010. |

Amendatory Section:

WAC 230-06-095 Change ((given)) name, trade name, or corporate name.

Licensees must notify us and pay a fee for any name change ~~to the given name, trade name, or corporate name on their license at least thirty days before the actual change date.~~ as follows:

- 1) Businesses and organizations changing their trade or corporate name – at least thirty days before the actual change date;
- 2) Individuals changing their name - no later than thirty days after the effective date of the change.



Proposed Amendment to

WAC 230-15-135

Wagering limits for nonhouse-banked card games.

ITEM 16 (d) on the July 10, 2009, Commission Meeting Agenda. Statutory Authority 9.46.070

Who proposed the rule change?

Staff

Proposed Change

The proposed change would remove wording that allows higher wagering limits for “all in” wagers in Texas Hold’em poker games. This will put the limit for all poker wagers back to \$40.

Effective July 1, 2009, WAC 230-15-135 authorized house-banked licensees the ability to offer up to a \$500 all in wager on the game of Texas Hold’em. An all in wager is defined as a player wagering all of their remaining chips on the current hand.

Unfortunately, after the rule passed staff identified a problem that would be created in the wagering structure for Texas Hold’em games. The change allows “all in” wagers, only, to exceed the \$40 poker wagering limit. The rule does not allow players to make call or matching wagers exceeding the \$40 limit.

Additionally, the rule is ambiguous as to who is eligible to make an all-in wager. For example, if a player has \$550, could they wager \$500, or, would they be ineligible to place the all-in wager. In other words, does a player have to have \$500 or less to be able to place the all-in wager.

Prior to the “all in” wager change, all nonhouse-banked wagers were limited to \$40. By removing the “all in” reference, the rule would revert back to the \$40 limit on all nonhouse-banked wagers.

History of Rule

In May 2008, the Commission filed a petition for a rule change from the Recreational Gaming Association (RGA) to increase the maximum amount of a single wager in nonhouse-banked card games from \$40 to \$500. The proposed rule change only applied to house-banked licensees who offer nonhouse-banked card games (i.e. poker).

At their November 2008 meeting, the Commissioners asked to have the petition held over to the January 2009 Commission meeting so staff could work on an alternative to the original proposal.

At their January 2009 meeting, based on discussion with licensees, the Commission asked staff to prepare an Alternative #1 to the original wager increase proposal. Alternative #1 limited the \$500 wager increase to “all-in” wagers on Texas Hold’em poker games operated at house-banked licensees.

At the January 2009 meeting, the RGA proposed Alternative #2 to their original proposed change. Alternative #2 would have changed the Texas Hold’em poker wagering limit to \$300, which would have been less than their original proposal but would have resulted in a player being able to wager up to \$300 in each wager/raise. By comparison Alternative #1 would have allowed a \$500 bet, only, with an all-in wager.

At the April 2009 meeting, the Commission approved Alternative #1 by a 2:1 vote changing the nonhouse-banked wagering limit on “all in” wagers for the game of Texas Hold'em operated at house banked licensees from \$40 to \$500. The \$500 all in wager became effective July 1, 2009. All other poker wagers remain at the \$40 limit.

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| Impact of the Proposed Change |
| The proposed change will prevent having an unworkable rule. |
| All wagers in nonhouse-banked games would be limited to \$40 or less. |
| A small business economic impact statement was not prepared because the rule change would not impose additional costs on any licensees. |
| Regulatory Concerns |
| None. |
| Resource Impacts |
| None. |
| Policy Consideration |
| None. |
| Statements Supporting the Proposed Rule Change |
| None. |
| Statements Opposing the Proposed Rule Change |
| None. |
| Licensees Directly Impacted By the Change |
| House-banked card room licensees operating nonhouse-banked games. |
| Staff Recommendation |
| File for further discussion. |
| Proposed Effective Date for Rule Change |
| Staff proposes an effective date of 31 days from adoption. |

Amendatory 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 forty dollars, ~~except that an all-in wager in the game of Texas Hold'em may not exceed five hundred dollars for house-banked card game licensees meeting the surveillance requirements specified in WAC 230-15-280; and~~

~~—(d) An all-in wager is when a player wagers with all of their remaining chips on the current hand.~~

(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.



Rule Up For Discussion and Possible Filing

Proposed Amendment to:
 WAC 230-15-400
 Accounting for player-supported jackpot funds.

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|--|------------------------------|
| ITEM 17 (a) on the July 10, 2009, Commission Meeting Agenda. | Statutory Authority 9.46.070 |
| Who proposed the rule change? | |
| The Recreational Gaming Association. | |
| Proposed Change | |
| <p>The Recreational Gaming Association (RGA) requests that WAC 230-15-400 be amended to allow player-supported jackpot (PSJ) funds to be transferred into the PSJ account. Currently, PSJ funds must be directly deposited into a separate PSJ bank account.</p> <p>The petitioner states that bank transfers post immediately to the PSJ bank account which means there is no lag time waiting for deposits to clear. With transactions posted immediately, it's simple to compare the bank account balance to the PSJ accrual balance. Generally, only accounting staff have the ability to do bank transfers, and the cage makes deposits, so transfers are done by more experienced staff.</p> <p>Attachments:</p> <ul style="list-style-type: none"> • Memo to the Commission outlining their options for handling the petition. • Letter notifying the petitioner that the petition will be up for filing at the July 2009 meeting. • Petition received May 28, 2009. • Proposed change to WAC 230-15-400. | |
| History of Rule | |
| Historically, player-supported jackpot funds have been considered player funds. As such, we have required PSJ funds to be kept separate from other bank accounts to ensure the funds are protected and always available to pay prizes. | |
| Impact of the Proposed Change | |
| <p>Impact on Licensees: This change would streamline the deposit and accounting process for card rooms.</p> <p>Impact on Staff: Rather than look at deposit slips, agents would look at online banking statements or other transfer records to determine if the PSJ deposit requirements have been met.</p> <p>A small business economic impact statement was not prepared because the rule change would not impose additional costs on any licensees.</p> | |
| Regulatory Concerns | |
| Player-supported jackpot prize fund custodians are the only card room personnel that has access to PSJ funds. This rule change may allow additional card room staff to have access to PSJ funds. | |
| Resource Impact | |
| None. | |
| Policy Consideration | |
| None. | |
| Statements Supporting the Proposed Rule Change | |
| None. | |

Statements Opposing the Proposed Rule Change

None.

Licensees Directly Impacted By the Change

House-banked card game licensees that offer player-supported jackpot games.

Staff Recommendation

File for further discussion. However, the petitioner should provide information that this change will benefit their business operations.

Proposed Effective Date for Rule Change

The petitioner did not specify an effective date. If the Commission adopted the rule changes, staff recommends an effective date of January 1, 2010.

Amendatory Section:

WAC 230-15-400 Accounting for player-supported jackpot funds.

Class F or house-banked licensees must:

- (1) Maintain a separate bank account in a bank, mutual savings bank, or credit union in Washington state for holding player-supported jackpot (PSJ) funds; and
- (2) Deposit only funds from PSJs into the account; and
- (3) Not make payouts from the PSJ funds until licensees have first deposited the funds in the PSJ account. However, licensees may pay out prizes won during the gambling day and deduct administrative expenses before licensees deposit the funds; and
- (4) Transfer or deposit the PSJ funds into the PSJ account or with an armored car service no later than the second banking day after the close of business; and
- (5) Identify all deposits or transfers of PSJ funds by the type of PSJ fund and date of collection. Licensees must keep the validated deposit receipts or transfer information as a part of their required daily records; and
- (6) Transfer the amount from the PSJ account to the cage or general account before the end of the month if PSJ prizes are paid from the cage or general account. The licensee must keep the transfer information as part of the written records; and
- (7) Reconcile the account balance in their bank statement to the PSJ prize balance on their PSJ fund accrual record each month. "Reconcile" means the licensee must compare the two balances, resolve any differences, and document the comparison and the differences in writing. Licensees must keep the reconciliation as part of their records.



Rule Up For Discussion and Possible Filing

Amend WAC 230-13-005
Amusement games authorized.

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| ITEM 18 (a) on the July 10, 2009, Commission Meeting Agenda. | Statutory Authority 9.46.070 |
| Who proposed the rule change? | |
| Patrick Tompkins, Washington Skill Games | |
| Proposed Change | |
| <p>Currently, amusement games must not award additional plays as prizes. The petitioner is requesting that amusement game licensees be allowed to award additional plays on an amusement game as a prize.</p> <p>The petitioner states this limit unreasonably constrains an operator's ability to run successful amusement games outside of a family entertainment center. However, the proposed change would apply to all amusement games, not just those outside a family entertainment center. It would apply to any location amusement games are operated, such as fairs, grocery stores, and inside family amusement centers.</p> <p>Attachments:</p> <ul style="list-style-type: none"> • Memo to the Commission outlining their options for handling the petition. • Letter notifying the petitioner that the petition will be up for filing at the July 2009 meeting. • Petition received June 9, 2009. • Proposed change to WAC 230-13-055. • RCW 9.46.0201, RCW 9.46.110 and WAC 230-06-030. | |
| History of Rule | |
| <p>Awarding additional opportunities to gamble or participate in a gambling activity as a prize is not typically allowed for gambling activities.</p> <ul style="list-style-type: none"> • RCW 9.46.110 (2)(c) prohibits pull-tab licensees from awarding another chance on a pull-tab game as a prize. • WAC 230-06-030 (3) prohibits licensees from giving another chance to participate in a gambling activity as a promotion item. | |
| Impact of the Proposed Change | |
| <p>If amusement game licensees are allowed to award additional plays as prizes, they may see an increase in play on amusement games.</p> | |
| Regulatory Concerns | |
| <p>Staff may need to verify these amusement games are awarding additional plays as posted.</p> <p>RCW 9.46.0201 states that only merchandise prizes may be awarded as amusement game prize.</p> | |
| Resource Impacts | |
| <p>Additional training on electronic amusement games may be needed.</p> | |
| Policy Consideration | |
| <p>Approving this petition would be a significant policy change. Awarding additional opportunities to gamble or participate in a gambling activity as a prize is not typically allowed for gambling activities.</p> <p>The proposed change conflicts with RCW 9.46.0201, which states that only merchandise prizes may be awarded as amusement game prize.</p> <p>Minors are allowed to play amusement games at several locations (shopping centers, movie theaters,</p> | |

bowling alleys, amusement centers, etc). The proposed change would encourage minors to continue to play amusement games, instead of receiving their prize.

Statements Supporting the Proposed Rule Change

None.

Statements Opposing the Proposed Rule Change

None.

Licensees Directly Impacted By the Change

Amusement game licensees.

Staff Recommendation

Deny the petition. The proposed change violates RCW 9.46.0201 which states that only merchandise prizes may be awarded as an amusement game prize.

Proposed Effective Date for Rule Change

The petitioner did not propose an effective date.

Amendatory Section:

WAC 230-13-005

Amusement games authorized.

(1) We authorize the eleven groups of amusement games set forth in this chapter. Operators must only operate amusement games that meet the standards of at least one of the authorized groups.

(2) Commercial businesses or nonprofit or charitable organizations may apply for licenses for amusement games.

(3) Charitable or nonprofit organizations also may conduct amusement games without a license when authorized to do so under RCW 9.46.0321 and 9.46.0331.

(4) Operators must operate amusement games as either:

(a) An attended amusement game.

(i) An "attended amusement game" means an amusement game that requires the presence or assistance of a person (attendant) in the regular operation of the game; and

(ii) These games must award a merchandise prize to players if players achieve the objective with one cost of play; or

(b) A coin or token activated amusement game.

(i) A "coin or token activated amusement game" means an amusement game that uses a mechanical, electronic, or electro-mechanical machine to allow the player to activate the game by inserting coins or tokens; and

(ii) These games may dispense merchandise prizes, or coupons, tickets, or tokens redeemable for merchandise prizes.

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



Rule Up For Discussion and Possible Filing

New Section

WAC 230-06-011

Detaining and identifying persons under eighteen years old engaging in or attempting to engage in gambling activities.

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| ITEM 19 (a) on the July 10, 2009, Commission Meeting Agenda. Statutory Authority 9.46.070 |
| Who proposed the rule change? |
| Staff |
| Proposed Change |
| <p>The proposed change is to implement Substitute Senate Bill 5040, to allow for the detention and identification of minors that gamble. RCW 7.80, which is referred to in SSB 5040, requires agencies to adopt this type of rule. This law becomes effective July 26, 2009.</p> <p>Attachment: RCW 7.80.060 SSB 5040</p> |
| History of Rule |
| This is a new rule. |
| Impact of the Proposed Change |
| <p>None.</p> <p>A small business economic impact statement was not prepared because the rule change would not impose additional costs on any licensees.</p> |
| Regulatory Concerns |
| None. |
| Resource Impact |
| None. |
| Policy Consideration |
| None. |
| Statements Supporting the Proposed Rule Change |
| None. |
| Statements Opposing the Proposed Rule Change |
| None. |
| Licensees Directly Impacted By the Change |
| None. |
| Staff Recommendation |
| File for further discussion. |
| Proposed Effective Date for Rule Change |
| The legislation becomes effective July 26, 2009. Staff recommends an effective date of 31 days from adoption. |

New Section:

WAC 230-06-011 Detaining and identifying persons under eighteen years old engaging in or attempting to engage in gambling activities.

When issuing civil infractions under RCW 9.46.xxx, gambling commission special agents or peace officers may detain persons for a reasonable period of time and in a reasonable manner to determine the person's true identity and date of birth if the special agent or peace officer has reasonable grounds to believe that:

- (1) The person is under eighteen years of age; and
- (2) The person is, or has played or participated in, or is attempting or has attempted to play or participate in authorized gambling activities including, but not limited to, punchboards, pull-tabs, card games, or fund-raising events.

New Section

WAC 230-06-012 Conducting underage compliance test programs with minors.

- (1) Licensees may conduct in-house controlled purchase programs (underage compliance test programs) to test their employee's compliance with RCW 9.46. xxx that makes it unlawful for any person under the age of eighteen to play punchboards, pull-tabs, card games, or participate in fund-raising events.
- (2) Licensees must:
 - (a) Have written procedures for conducting underage compliance test programs.
 - (i) Class F or house-banked card game licensees must include the procedures in their internal controls; or
 - (ii) Licensees not required to have internal controls must submit their procedures to us prior to conducting an underage compliance test and keep a copy of the procedures on the licensed premises.
 - (b) Provide employees a written description of the employer's underage compliance test program. The written description must include notice of actions an employer may take as a consequence of an employee's failure to comply with company policies regarding unauthorized persons engaging in gambling activities during an underage compliance test.
 - (c) Provide written notification (letter, e-mail, or fax) to us at least five days before conducting the test. The notification must include:
 - (i) Licensee name; and
 - (ii) Date and time of test; and
 - (iii) Last name and first initial of the minor used in the test; and
 - (iv) First and last name of the person supervising the minor.
 - (d) Receive written confirmation from us that the notification was received prior to conducting the test.
 - (e) Provide written notification of test results to us within forty-eight hours after completing the test.
 - (f) Maintain the following information for each test on the licensed premises for at least one year:
 - (i) Written confirmation received from commission staff; and
 - (ii) A photocopy of the identification of the minor used; and
 - (iii) The results.
 - (g) Only use minors who are sixteen or seventeen years old at the time of the test.
- (3) Licensees with a minimum gambling age of twenty-one are not required to follow the procedures in subsections (1) and (2) above if they use persons eighteen years of age or older to conduct underage compliance tests.