



## Proposed Amendment to

WAC 230-15-135

Wagering limits for nonhouse-banked card games.

**September 2009 - Final Action**  
**August 2009 –Up for Discussion**  
**July 2009 - Filed for Discussion**

ITEM 7 (a) on the September 11, 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.

**At the August 2009 meeting, the Recreational Gaming Association’s Petition to set wagering limits for all bets in the game of Texas Hold’em at \$250 was Up for Filing. At the meeting, the petitioner asked that action be delayed until the September 2009 meeting. See Item 13 for details.**

### 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 filed Alternative #1. Alternative #1 limited the \$500 wager increase to “all-in” wagers on Texas Hold’em poker games operated at house-banked licensees. At the same meeting, the Commission filed the RGA’s 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.

#### 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

- **At the July 2009 Commission meeting, Chris Kealy asked the Commission to delay filing the rule change until the next month and stated he anticipated having an alternative available for discussion at the next meeting.**
- **At the August 2009 Commission meeting, Chris Kealy testified that he did not feel the rule was unworkable and thought more Commissioners should be present at the meeting for the discussion. He also asked that staff work with him to develop an alternative proposal.**

#### Licensees Directly Impacted By the Change

House-banked card room licensees operating nonhouse-banked games.

#### Staff Recommendation

Adoption.

#### Proposed Effective Date for Rule Change

Staff recommends an effective date of 31 days after the adopted rule is filed.

**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.

[Statutory Authority: RCW 9.46.070. 09-09-056 (Order 642), § 230-15-135, filed 4/10/09, effective 7/1/09; 07-21-116 (Order 617), § 230-15-135, filed 10/22/07, effective 1/1/08; 07-09-033 (Order 608), § 230-15-135, filed 4/10/07, effective 1/1/08.]



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

**September 2009 – Final Action**  
**August 2009 – Study Session**  
**July 2009 – Filed for Discussion**

ITEM 8 (a) on the September 11, 2009, Commission Meeting Agenda. Statutory Authority 9.46.070
<b>Who proposed the rule change?</b>
The Recreational Gaming Association.
<b>Proposed Change</b>
<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"> <li>• Petition received May 28, 2009.</li> <li>• Proposed change to WAC 230-15-400.</li> </ul>
<b>History of Rule</b>
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.
<b>Impact of the Proposed Change</b>
<p><b>Impact on Licensees:</b> This change would streamline the deposit and accounting process for card rooms.</p> <p><b>Impact on Staff:</b> 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>
<b>Regulatory Concerns</b>
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.
<b>Resource Impact</b>
None.
<b>Policy Consideration</b>
None.
<b>Statements Supporting the Proposed Rule Change</b>
<b>At the July 2009 meeting, Dawn Mangano testified that the rule change would speed up the deposit process and availability of money.</b>

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

Final Action.

Proposed Effective Date for Rule Change

The petitioner did not specify an effective date. If the Commission adopts the rule change, 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) 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; Funds may first be deposited into the general account and then transferred to the PSJ account, as long as they reach the PSJ account within the two banking day period required above; and
- (5) Identify all deposits of PSJ funds by the type of PSJ fund and date of collection. Licensees must keep the validated deposit receipts 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.



**New Section**  
WAC 230-06-011

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

**September 2009 – Final Action**  
**August 2009 – Study Session**  
**July 2009 – Filed for Discussion**

ITEM 10 (a) on the September 11, 2009, Commission Meeting Agenda. Statutory Authority 9.46.070
<b>Who proposed the rule change?</b>
Staff
<b>Proposed Change</b>
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.
Attachment: RCW 7.80.060 SSB 5040
<b>History of Rule</b>
This is a new rule.
<b>Impact of the Proposed Change</b>
None.
A small business economic impact statement was not prepared because the rule change would not impose additional costs on any licensees.
<b>Regulatory Concerns</b>
None.
<b>Resource Impact</b>
None.
<b>Policy Consideration</b>
None.
<b>Statements Supporting the Proposed Rule Change</b>
None.
<b>Statements Opposing the Proposed Rule Change</b>
None.
<b>Licensees Directly Impacted By the Change</b>
None.
<b>Staff Recommendation</b>
Adoption.
<b>Proposed Effective Date for Rule Change</b>
The legislation becomes effective July 26, 2009. Staff recommends an effective date of 31 days after the adopted rule is filed.



**New Section**  
WAC 230-06-012

Conducting underage enforcement test programs with minors.

**September 2009 – Amendment #1 Up for Final Action**  
**August 2009 – Study Session**  
**July 2009 – Filed for Discussion**

ITEM 10 (b) on the September 11, 2009, Commission Meeting Agenda. Statutory Authority 9.46.070
Who proposed the rule change?
Staff
Proposed Change
<p>This new rule is to implement subsection 4 of Substitute Senate Bill 5040, which allows licensees to conduct in-house controlled purchase programs for purposes of employee training and employer self-compliance checks regarding minors that gamble. This law becomes effective July 26, 2009.</p> <p>The rule explains the approval process and requirements for conducting in-house controlled purchase programs.</p> <p><b>Changes made after the July 2009 Meeting:</b></p> <p><b>Amendment #1:</b></p> <ul style="list-style-type: none"> <li>• <b>Subsection (2)(a)(ii):</b> The word “business” was added to clarify that written procedures for conducting test programs must be kept on the licensed “business” premises.</li> <li>• <b>Subsection (2)(c):</b> “At least five days” was removed as this time constraint is not necessary.</li> <li>• <b>Subsections (2)(c) and (f)(ii):</b> The word “minor” was replaced by “persons” to allow individuals over the age of eighteen to be used in test programs.</li> <li>• <b>Subsections (2)(d) and (2)(e):</b> These subsections which required gambling special agents to provide written approval to perform tests and licensees to submit written notification after each test was completed were removed. Instead, subsection (f) was amended to require licensees to maintain test information on their licensed premises for one year and have it available for inspection.</li> <li>• <b>Subsection (2)(g):</b> The word “minors” was replaced with “underage persons.”</li> <li>• <b>Subsection (3):</b> An exception was added to allow persons over the age of 18 to be used in test programs.</li> <li>• <b>Housekeeping:</b> “and” was added after each subsection.</li> </ul>
History of Rule
This is a new rule.
Impact of the Proposed Change
Allows licensees to conduct tests to determine if their employees are allowing minors to gamble.
Regulatory Concerns
None.
Resource Impact
Minimal. Field Agents will:
<ul style="list-style-type: none"> <li>• Confirm in writing with licensees that notice of their test has been received; and</li> <li>• Ensure Internal Controls for Class F and house-banked card game licensees include written procedures for in-house controlled purchase programs.</li> </ul>
Policy Consideration
None.
Statements Supporting the Proposed Rule Change
None.

Statements Opposing the Proposed Rule Change

None.

Licensees Directly Impacted By the Change

All licensees that conduct in-house controlled purchase programs.

Staff Recommendation

Adoption of Amendment #1.

Proposed Effective Date for Rule Change

The legislation becomes effective July 26, 2009. Staff recommends an effective date of 31 days after the adopted rule is filed.

**New Section:**

**WAC 230-06-011 Persons under eighteen years old engaging in or attempting to engage in prohibited gambling activities.**

- (1) Any person whom a gambling commission special agent, or a peace officer or enforcement officer, has reasonable grounds to believe is under eighteen years of age who engages in or attempts to engage in card games, punchboards/pull-tabs, or fund-raising activities, may be detained for a reasonable period of time and in such a reasonable manner as is necessary to determine the person's true identity and date of birth.
- (2) This provision does not apply to a person under the age of eighteen who, with parental authorization, is participating in a gambling commission approved and supervised underage enforcement test program.

## Amendment #1 - Up for Final Action at the September 2009 Commission Meeting

### 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 business premises; and
  - (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; and
  - (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~~ person used in the test; and
    - (iv) First and last name of the person supervising the ~~minor~~ person used in the test.
  - (d) ~~Receive written confirmation from us that the notification was received prior to conducting the test; and~~
  - (e) ~~Provide written notification of test results to us within forty eight hours after completing the test; and~~
  - (f) Maintain on the licensed business premises for at least one year, and produce upon request, the following information for each test conducted on the licensed premises for at least one year:
    - (i) ~~Written confirmation received from commission staff; and~~
    - (ii) ~~A photocopy of the photo identification, which must include the birth date, of the minor person used in the test; and~~
    - (iii) ~~(ii) The results; and~~
  - (g) (e) Only use ~~minors~~ underage persons 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~~ must follow the procedures in subsections (1) and (2) of this section, except for subsection (2)(e), if they use persons eighteen years of age or older to conduct underage compliance tests.



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

**September 2009 – Final Action**  
**August 2009 – Study Session**  
**July 2009 – Filed for Discussion**

ITEM 11 (a) on the September 11, 2009, Commission Meeting Agenda. Statutory Authority 9.46.070
Who proposed the rule change?
Staff
Proposed Change
This change restores the requirements for demonstrating significant progress for all charitable or nonprofits licensees, not just Groups IV and V.  Making significant progress is required under RCW 9.46.0209.  Attachments ( <b>Bold = additions made after the July 2009 meeting</b> ): RCW 9.46.0209 <b>Small Business Economic Impact Statement</b>
History of Rule
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.
Impact of the Proposed Change
None. All charitable or nonprofit licensees are already required to demonstrate that they have made significant progress.  <b>A Small Business Economic Impact Statement (SBEIS) was prepared and the rule change does not impose additional costs on licensees. See attached SBEIS for details.</b>
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
Adoption.
Proposed Effective Date for Rule Change
Staff recommends an effective date of 31 days after the adopted rule is filed.

## **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.

<b>Revenue</b>										
Fees paid by public								\$5,000		
<b>Calculation:</b>										
<b>Expenses</b>	<b>Unadjusted Amount</b>		<b>% of Total</b>		<b>Pro Rata Reduction Fees Paid by Public (\$5,000)</b>		<b>% of Total</b>		<b>Adjusted Amount</b>	
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	



Proposed Amendment to  
WAC 230-06-095  
Change given name, trade name, or corporate name.

**September 2009 – Final Action**  
**August 2009 – Study Session**  
**July 2009 – Filed for Discussion**

ITEM 12 (a) on the September 11, 2009, Commission Meeting Agenda. Statutory Authority 9.46.070
<b>Who proposed the rule change?</b>
Staff
<b>Proposed Change</b>
<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>
<b>History of Rule</b>
<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>
<b>Impact of the Proposed Change</b>
<p><b>Impact on Individual Licensees</b> Individual licensees will continue to be out of compliance prior to their name legally changing.</p> <p><b>Impact on Staff</b> 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>
<b>Regulatory Concerns</b>
None.
<b>Resource Impacts</b>
None.
<b>Policy Consideration</b>
None.

Statements Supporting the Proposed Rule Change
None.
Statements Opposing the Proposed Rule Change
None.
Licensees Directly Impacted By the Change
All licensees.
Staff Recommendation
Adoption.
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.



## Up for Discussion and Possible Filing

### Proposed Amendment to Amendatory Section WAC 230-15-135

Wagering limits for non house-banked card games.

ITEM 13 (a) on the September 11, 2009, Commission Meeting Agenda. Statutory Authority 9.46.070
Who proposed the rule change?
Dolores Chiechi, representing the Recreational Gaming Association.
Proposed Change
<p>The Recreational Gaming Association (RGA) is requesting to increase the maximum amount of a single wager in the game of Texas Hold'em from \$40 to \$250. This change will only apply to house-banked card game licensees who offer nonhouse-banked cards games (i.e. poker) and meet the surveillance requirements specified in WAC 230-15-280.</p> <p>Class E and Class F nonhouse-banked card game licensees will continue to be limited to a maximum single wager of forty dollars.</p> <p><b>At the August 2009 meeting, the petitioner asked the Commission delay taking action on the petition until the September 2009 meeting.</b></p> <p>Attachments:</p> <ul style="list-style-type: none"><li>• Memo to the Commission outlining their options for handling the petition.</li><li>• Letter notifying the petitioner that the petition will be up for filing at the September 2009 meeting.</li><li>• Petition received July 22, 2009.</li><li>• Proposed change to WAC 230-15-135.</li><li>• Spreadsheet of New/Increased Card Game Activities.</li><li>• Excerpts from the April 2009 Commission meeting minutes when the Texas Hold'em all-in wager increase was approved.</li></ul>
History of Rule
<p>There have been three petitions in the past four years to change wagering limits.</p> <ul style="list-style-type: none"><li>• In October 2005, the Commission filed a petition submitted by the RGA requesting poker wagering limits be increased from \$25 to \$100. This petition only applied to house-banked card game licensees offering poker games. At their January 2006 meeting, the Commission denied the petition based on the reasoning that the increase in wagering limits would constitute an expansion of gambling.</li><li>• In January 2007, the Commission filed a petition submitted by Andrew Kimmerle, a poker player, requesting the wagering limits for Texas Hold'em games (poker) be increased from \$25 to \$40. Mr. Kimmerle explained that his petition would allow both house-banked and nonhouse-banked card game licensees to offer poker games with a maximum \$40 wagering limit and increase interest in the game. At their March 2007 meeting, the Commission approved the petition and increased the maximum single wagering limits in poker from \$25 to \$40. The increase became effective April 2007.</li><li>• In May 2008, the Commission filed a petition submitted by the RGA requesting poker wagering limits be increased from \$40 to \$500. This change would have only applied to house-banked card game licensees who offered poker games and who met the surveillance requirements in WAC 230-15-280. Class E and Class F card game licensees would have continued to be limited to the \$40 wager limit. At the January 2009 meeting, the Commission chose not to re-file the original request to increase the</li></ul>

wager limit to \$500 for all poker games and instead filed two alternative versions of this rule for discussion:

**Alternative #1:** The Commission asked staff to prepare Alternative #1 which would keep the betting limit at a maximum of \$40, except for the specific “all in” wager only for the game of Texas Hold’em.  
**Alternative #2.** The RGA proposed Alternative #2 which would allow single wagers up to \$300 for Texas Hold’em games only.

After several more months of discussion, the Commission adopted Alternative #1 at their April 2009 meeting, effective July 1, 2009. The proposal was the most restrictive of the three proposals. The Commission did not support the RGA’s proposal for an across the board wager increase to \$500 or \$300.

Unfortunately, after the rule was adopted, staff identified a problem that would be created in the wagering structure for Texas Hold’em games, making the rule unworkable as written. Please see Item 7 on the September 2009 Commission meeting agenda for staff’s proposal to repeal this rule change.

Under current wagering limits, a card room can offer a \$20/\$40 betting structure. Following is an example of the betting structure for a Texas Hold’em game:

1<sup>st</sup> Round: Dealt cards: \$20 wager, \$20 raise, \$20 raise, \$20 raise = \$80  
2<sup>nd</sup> Round: Flop: \$20 wager, \$20 raise, \$20 raise, \$20 raise = \$80  
3<sup>rd</sup> Round: Turn: \$40 wager, \$40 raise, \$40 raise, \$40 raise = \$160  
4<sup>th</sup> Round: River: \$40 wager, \$40 raise, \$40 raise, \$40 raise = \$160  
Texas Hold’em maximum wager:  $\$80 + \$80 + \$160 + \$160 = \$480$  per player per hand

If a card room offered a \$125/\$250 betting structure, the increase would affect a Texas Hold’em game as follows:

1<sup>st</sup> Round: Dealt cards: \$125 wager, \$125 raise, \$125 raise, \$125 raise = \$500  
2<sup>nd</sup> Round: Flop: \$125 wager, \$125 raise, \$125 raise, \$125 raise = \$500  
3<sup>rd</sup> Round: Turn: \$250 wager, \$250 raise, \$250 raise, \$250 raise = \$1,000  
4<sup>th</sup> Round: River: \$250 wager, \$250 raise, \$250 raise, \$250 raise = \$1,000  
Texas Hold’em maximum wager:  $\$500 + \$500 + \$1,000 + \$1,000 = \$3,000$  per player per hand

### **Tribal Limits**

- Tribal–State Gaming Compacts limit poker wagers to \$500.
- Tribal casinos are required to have Tribal Gaming Agents on site during all times games are operated.

### **Impact of the Proposed Change**

#### **Impact on House-Banked Card Game Licensees**

Some house-banked card game licensees may see an increase in gross receipts due to an increase in poker game business at the card room. Poker is the most common table game played at house-banked card rooms. There are 201 poker tables out of 901 card tables at house-banked card rooms.

#### **Impact on Nonhouse-Banked Card Game Licensees**

Class E and Class F card room licensees would be limited to \$40 wagering limits. If players go to house-banked card rooms with the higher limits, Class E and F card rooms may see a decrease in gross receipts due to a decrease in poker game business.

#### **Impact on Agency**

We would continue to regulate nontribal poker games the same way as we currently do if the new limits were approved. We don’t anticipate that all licensees will offer the higher wager limits and most players

will not wager at the higher limits.

Under current Tribal-State Compacts, poker is considered Class III gaming if the wagering amount exceeds \$40, which is the current maximum amount allowed in nontribal card rooms. The state has co-regulatory authority over Class III gaming. If the wagering limit at nontribal card rooms is increased to \$250, issues may be created regarding the appropriate Class II threshold at tribal casinos.

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

**Regulatory Concerns**

As long as current standards were kept in place, there would be minimal change in our regulatory work for house-banked card rooms that offer poker games at the higher limits.

The change will reduce our regulatory jurisdiction over Tribal poker games.

**Resource Impacts**

Minimal.

**Policy Consideration**

The proposed rule change is a policy decision.

- The Commission may wish to consider whether or not the proposal is consistent with the legislative intent expressed in RCW 9.46.010.
- The Commission established the current \$40 wager limit for nonhouse-banked card games effective April 2007. Prior to this increase, a \$25 wager limit had been in place since 2000, when it was increased from \$10.
- In 2009, the Commission did not file the proposed wager increase for nonhouse-banked card games to \$500 they did not adopt the proposed increase to \$300 and only allowed a specific increase for an “all-in” wager in Texas Hold’em.
- In comparison, the legislature has not increased the pull-tab wager limit since 1998, when it was increased from \$.50 to \$1.
- Prior to the 2009 Session, the legislature had not increased the maximum raffle price since 1995 from \$5 to \$25. In 2009, it was increased from \$25 to \$100.

**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.

**Staff Recommendation**

Deny the petition based on the policy considerations above.

**Proposed Effective Date for Rule Change**

The petitioner did not request an effective date. If the Commission chooses to adopt a rule change, staff recommends an effective date of January 1, 2010.

## Up for Filing at the August 2009 Commission Meeting

### 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 in the game of Texas Hold'em the maximum amount of a single wager may not exceed two-hundred dollars for house-banked card game licensees meeting the surveillance requirements specified in WAC 230-15-280;

(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.

[Statutory Authority: RCW 9.46.070, 07-21-116 (Order 617), § 230-15-135, filed 10/22/07, effective 1/1/08; 07-09-033 (Order 608), § 230-15-135, filed 4/10/07, effective 1/1/08.]