

# Commission Meeting Minutes

## APPROVED

### Location of Meeting:

DoubleTree by Hilton Olympia  
451 Capitol Way  
Olympia, WA 98504  
(360) 570-0557

### Date and Time of Meeting

Thursday, April 14, 2016  
11:00 a.m.

### ✓ **Indicates Commissioners and Ex Officio Members Present.**

#### Commissioners

- ✓ Chris Stearns, Chair
- ✓ Bud Sizemore, Vice-Chair
- ✓ Kelsey Gray, PhD.
- ✓ Julia Patterson
- ✓ Ed Troyer

#### Ex Officio Members

- Senator Steve Conway
- Senator Mike Hewitt
- ✓ Representative Christopher Hurst
- Representative Brandon Vick

#### Staff

David Trujillo, Director  
Amy Hunter, Deputy Director  
Tina Griffin, Assistant Director – Licensing Regulation and Enforcement  
Julie Lies, Tribal Liaison – Tribal & Technical Gambling  
Matthew Kernutt, Assistant Attorney General  
Brian Considine, Managing Attorney & Legislative Liaison  
Michelle Rancour, Executive Assistant  
Susan Newer, Public Information Officer

### **- PUBLIC MEETING -**

#### Welcome

*Chris Stearns, Commission Chair*

**Chairman Chris Stearns** called the Gambling Commission meeting to order at 11:07 a.m. at the DoubleTree Hotel in Olympia, WA, and introduced the members present.

**Chair Stearns** announced there would be an executive session to discuss pending investigations, tribal negotiations and litigation. Chair Stearns called for executive session at 11:10 a.m. He announced the session would last approximately one and a half hours and excused the audience.

The meeting resumed at approximately 1:00 p.m.

About 50 people were in the audience, and one person participated by phone.

KING5 and TVW were present at the meeting.

## - ADMINISTRATIVE PROCEDURE ACT PROCEEDINGS –

### Rules Up for Final Action

**Assistant Director Tina Griffin** shared the numbers of amusement games in the state. A formal letter requesting information was sent out with a 30 days to comply. **Ms. Griffin** gave a brief summary of the comments, reminding everyone all the public comments were posted on the website, along with a Small Business Economic Impact Statements also posted on our website for the public.

#### **3. Group 12 Amusement Games.**

*Tina Griffin, Assistant Director*

*Filed 10/29/2015 as a Pre-Proposal Statement of Inquiry (CR-101) under WSR #15-22-054. Proposed Rule Making (CR-102) under WSR #16-04-053 with a published date of 2/17/2016.*

- Amended Section: WAC 23-13-080 Operating coin or token activated amusement games.

**Assistant Director Tina Griffin** explained this rule would limit the number of games to a maximum of ten (10) for commercial operators and twenty (20) for charitable/nonprofits. This would address the concerns about the number of games that could come into the state. Attached to all the Group 12 rules is the Budget Proviso language from the Second and Gross Substitute Budget House Bill 2376 that directs the Commission to review and reconsider, including repeal, rules adopted to authorize the amusement games classified as Group 12 under WAC 230-13-067. Staff recommends final action with an effective date 31 days from filing.

**Commissioner Patterson** made a motion to limit the number of games.

**Commissioner Gray** seconded the motion.

**Motion passed 3:2.**

**Vice-Chair Sizemore** voted nay.

**Commissioner Gray** voted nay.

#### **4. Group 12 Amusement Games.**

*Tina Griffin, Assistant Director*

*Filed 10/29/2015 as a Pre-Proposal Statement of Inquiry (CR-101) under WSR #15-22-054. Proposed Rule Making (CR-102) under WSR #16-04-053 with a published date of 2/17/2016.*

- Amended Section: WAC 230-13-005 Amusement games authorized.
- Amended Section: WAC 230-13-130 Display and exchange of amusement game prizes.
- Repealed Section: WAC 230-13-140 Price to play amusement games must be paid in cash or check.

**Assistant Director Tina Griffin** explained this rule package both in Option A and Option A.1 does three things:

- Codifies current practice of the use of the electronic token card, which staff have now defined,
- Does not allow Group 12 amusement games to be operated without a license by a charitable non-profit organization,
- Repeals 230-13-140, which is contradictory to WAC 230-13-005 (sub-section 4)

The amendments to the rules address the questions staff have been faced with regarding the definition of merchandise, the use of gift cards and gift certificates, and the ability to allow for

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the participation of gambling activities with tokens, coupons or tickets won from the Group 12 amusement games. It also addresses redemption of tokens won for food and or beverage. **Ms. Griffin** also explained why staff was recommending the deadline date of August 15, 2016 for compliance with testing.

**Vice-Chair Sizemore** moved to adopt Option A with an effective date of July 15, 2016. **Commissioner Patterson** seconded the motion.

**Motion Approved 5:0**

**Representative Christopher Hurst** thanked the Commissioners for working with staff to provide rules that were good for the benefit of the people of Washington state.

### Rules Up for Discussion

**5. Group 12 Amusement Games.**

*Tina Griffin, Assistant Director*

*Filed 1/28/2016 as a Pre-Proposal Statement of Inquiry (CR-101) under WSR #16-04-052*

- Repealed Section: WAC 230-13-067 Electronic puzzle and pattern solving game standards.

**Assistant Director Tina Griffin** explained this rule was not up for final action today due to the Code Reviser's Office filing dates. It is only up for discussion today and will be up for final action at the May meeting. This would repeal the rule that authorized Group 12 amusement games. Licensees indicated they would lose about \$9 million dollars if the Group 12 amusement games were repealed. A Small Business Economic Impact Statement was filed and is available on our website.

**6. Group 12 Amusement Games.**

*Tina Griffin, Assistant Director*

*Filed 3/02/2016 as a Pre-Proposal Statement of Inquiry (CR-101) under WSR #16-06-130*

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

**Assistant Director Tina Griffin** explained this rule was at the request of Commissioner Troyer and would require a sticker to be placed on all group 12 amusement games or a message displayed on the machine stating "This is not a slot machine. No cash prizes allowed. You can preview the prize available before each play of the game without insertion of money or anything of value." Licensees will be responsible for printing their own stickers or ensuring the message is on the screen. **Chair Stearns** requested some changes to the language, and that will be up for consideration at the May Commission meeting.

**7. Group 12 Amusement Games.**

*Tina Griffin, Assistant Director*

*Filed 3/02/2016 as a Pre-Proposal Statement of Inquiry (CR-101) under WSR #16-06-130*

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

**Assistant Director Tina Griffin** explained the above four rules mostly dealt with three things:

1. It would require notification to the Commission by amusement game licensees within thirty (30) days of placing a group 12 amusement game into play, or removing a group 12 amusement game out of play.
2. It would also require amusement game licensees to keep records and report to us separately their group 12 receipts.
3. It would not allow for coupons, tickets, tokens, or tokens on an electronic token card to be transferrable to such things as a player tracking system or customer rewards system.

**Ms. Griffin** noted staff had received one statement in opposition to the rule proposal, related to the non-transferability of tokens.

### **Rules Up for Discussion and Possible Filing**

#### **8. Group 12 Amusement Games.**

*Tina Griffin, Assistant Director*

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

**Assistant Director Tina Griffin** explained, the rules package was a staff request based on the rules passed last month. Staff recognized more language and clarification was needed to move forward. Filed for further discussion. No motion was made.

**Chair Stearns** opened the floor for public comment.

**Public Comment:** Eleven (11) people testified regarding Group 12 amusement games.

- Two audience members representing the Muckleshoot Tribe opposed the games and requested the rule authorizing the game be repealed.
- Some audience members requested that gift cards and replays be allowed.
- Maureen Greeley, Evergreen Council on Problem Gambling, said she was neutral on the games and urged the Commissioners to be aware of gambling problems.
- Representative Christopher Hurst thanked staff for their work on the rules, and suggested the rule authorizing the games be repealed or allow the games in a very limited way.

#### **New Licenses and Class III Employees**

*Tina Griffin, Assistant Director*

**Assistant Director Tina Griffin** explained there are currently 48 licensed and operating house-banked card rooms. Staff recommends approval of the new licenses and Class III gaming employees listed on pages 1 through 17.

**Vice Chair Sizemore** made the motion to approve.

**Commissioner Gray** seconded.

**Motion Approved 5:0**

### **Class III Certifications for Snoqualmie**

**Commissioner Patterson** moved to approve the one page of Snoqualmie Class III Certifications.  
**Commissioner Gray** seconded.

**Motion Approved 4:0 (Chair Stearns abstained from voting).**

### **- PUBLIC MEETING -**

#### **Director's Report**

*David Trujillo, Director*

**Director David Trujillo** gave a brief update on the headquarters office move, and shared that the successful bidder was notified. We expect to be moved by the end of the year. We plan to hire a person to help us with the move, and that person would spearhead the project.

#### **Legislative Update**

*Brian Considine, Managing Attorney & Legislative Liaison*

**Legislative Liaison Brian Considine** explained Senate Bill 6449 concerning enhanced raffles was signed by the Governor at the end of March. This bill would extend the expiration date for enhanced raffles to June 30, 2022. Mr. Considine also explained the Open Public Meetings Act was amended and the violation goes up from \$100 to \$500.

#### **Approval of Minutes – February 2016 Commission Meetings**

**Vice Chair Sizemore** moved to approve the February minutes.

**Commissioner Patterson** seconded.

**Minutes approved 5.0**

#### **Other Business/General Discussion/Comments from the Public**

**Commissioner Patterson** spoke about her experience on the ride along with Special Agent Tony Hughes. She visited the Silver Dollar Casino in SeaTac and learned about surveillance and other aspects of the business. It was really an informative 2 or 3 hours. She encouraged other commissioners to do the same.

**Chair Stearns**, commented it was a great opportunity and gives a hands on perspective.

#### **Adjourn**

**Chair Stearns** adjourned the meeting at 3:45pm