

# Commission Meeting Minutes

## APPROVED

### Location of Meeting:

Great Wolf Lodge  
2050 Old Highway 99 SW  
Grand Mound, WA 98531  
(360) 273-7718

### Date and Time of Meeting

Friday, March 11, 2016  
10:00 a.m.

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

#### Commissioners

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

#### Ex Officio Members

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

#### Staff

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

### **- PUBLIC MEETING -**

#### Welcome

*Chris Stearns, Commission Chair*

**Chairman Chris Stearns** called the Gambling Commission meeting to order at 10:30 a.m. at the Great Wolf Lodge in Grand Mound and introduced the members present.

About 60 people were in the audience. In addition a phone-in feature was offered.

#### Responsible Gaming Training – Prevention & Awareness Program Presentation

*Maureen Greeley, Executive Director, Evergreen Council on Problem Gambling*

**Maureen Greeley**, Executive Director of Evergreen Council on Problem Gambling, talked about problem gambling programs and responsible gambling training.

She addressed three areas:

- Treatment – residential      Training – employees      Awareness

Australia and Canada have strong problem gambling programs.

No inpatient treatment programs in Washington State, there is a great need.

In patient treatment in Minnesota is operated by a nonprofit with funding from tribes and federal grants. Problem gambling portion of facility has \$8M yearly budget.

**Ann**, former problem gambler, explained she has been in recovery for 4 years. She attended in-patient treatment in Minnesota; treatment saved her life. Out of state treatment makes it difficult for family to attend family sessions for their own support.

**Senator Conway** said he would help Maureen work with superior court judges for problem gambling programs. He also suggested looking at the LCB's server training as a model for problem gambling training.

**Special Agent Lisa Saila**, talked about training agency staff was in the process of developing for the industry.

**Assistant Director Tina Griffin** said staff are incorporating problem gambling information and training into the "training we establish," which is required within 30 days of employment. We will provide the training materials in the future, rather than the house-banked card rooms.

**Chair Chris Stearns** said he attended an open GA meeting at a G2E conference last year; problem gambling has the same components as other addictions. It also has the three outcomes: jail, institution and death.

### **Skokomish Indian Tribe Compact Amendment**

*David Trujillo, Director*

**Tom Strong, Skokomish Tribal Councilman** covered some highlights from the Tribe: 55,000 square acres of reservation. 741 members. Lucky dog casino has 255 machines and no table games. Amendment allows for future planning and ability to upgrade their old building.

**Vice-Chair Sizemore** moved to forward to the Governor

**Commissioner Gray** seconded the motion.

**Motion passed 6:0** Commissioners and ex officio Senator Conway voted unanimously to forward to the Governor.

### **Executive Session to Discuss Pending Investigations, Tribal Negotiations and Litigation**

**Chair Stearns** announced there would be an executive session. **Chair Stearns called for executive session at 12:15 p.m.** He excused the audience and announced the session would last approximately one and a half hours. **Chair Stearns** called for a 15 minute extension at 1:27 p.m. The meeting resumed at approximately 1:50 p.m.

**Rules Up for Final Action**

**Assistant Director Tina Griffin** reviewed the rules for the Commissioners. The Commissioners thanked Ms. Griffin for her comprehensive presentation: 280 amusement games in licensed locations. So far, 30 people have testified in support of the games, and three testified with concerns at previous Commission meetings.

**Eight stakeholders testified regarding Group 12 amusement games at the March meeting.**

Their testimony included:

- Wants to give cash back, up to \$40 on gift cards.
- Wants replays. Has not heard what the public policy issue is for no replays.
- Replay is needed to keep games viable.
- \$250 ID stamp good revenue generator for the state.
- Wants to modernize gambling activities, i.e. modernized pull-tabs.
- Changing symbols on machines would be expensive, i.e. testing and rolling out changes.
- Three ways to replay: Load back on card as comingle; ticket-in ticket-out; play directly off the machine.

**Group 12 Amusement Games. Package #1**

*Tina Griffin, Assistant Director*

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

- Amended Section: WAC 230-03-185 Applying for a manufacturer license.
  - *Alternative #1 and #2*
- Amended Section: WAC 230-03-190 Applying for a distributor license.
- Amended Section: WAC 230-05-030 Fees for other businesses.
- Amended Section: WAC 230-06-110 Buying, selling, or transferring gambling equipment.
  - *Alternative #1 and #2*
- Amended Section: WAC 230-13-010 Approval of new amusement games.
  - *Alternative #1 and #2*
- Amended Section: WAC 230-13-135 Maximum wagers and prize limitations at certain amusement game locations.
- Amended Section: WAC 230-13-160 Basing rent on a percentage of gross receipts.

**Assistant Director Tina Griffin** explained the rules package is up for final action, and includes rules for licensing and equipment testing. Ms. Griffin explained the differences between Alternatives 1 and 2 in the packet. Staff recommends adoption of Alternative 2 effective 31 days from filing.

**Commissioner Gray** moved to adopt the rules with Alternative #2 language.

**Vice-Chair Sizemore** seconded the motion.

**Motion Approved 5:0.**

**Group 12 Amusement Games. Package #2**

*Tina Griffin, Assistant Director*

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

- o Amended Section: WAC 230-13-080 Operating coin or token activated amusement games.

**Ms. Griffin** explained rules package # 2 would limit the number of machines per location. Staff recommends final action, effective 31 days from filing.

**Commissioner Patterson moved to file for further discussion at the April meeting.**

**Vice-Chair Sizemore seconded the motion.**

**Motion approved 5:0.**

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

*Tina Griffin, Assistant Director*

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

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

**Ms. Griffin** explained rules package #3 is up for final action, which eliminates gift cards and gift certificates, and other gambling activities that do not constitute merchandise prizes.

**Vice-Chair Sizemore moved to file for further discussion at the April meeting.**

**Commissioner Patterson seconded.**

**Motion approved 5:0.**

**Rule Up for Discussion**

**Group 12 Amusement Games.**

*Tina Griffin, Assistant Director*

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

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

Up for discussion only. Stakeholders commented they would lose 9 million dollars if Group 12 amusement games were repealed. **Commissioners had no comment.**

**Rules Up for Discussion and Possible Filing**

**Rules regulating the appearance and recordkeeping for Group 12 Amusement Games.**

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

**Assistant Director Tina Griffin** explained this rule package #5 was up for discussion and possible filing. The rules dealt with appearance and signage.

Staff presented two options for filing:

Option 1: Limits symbols so they do not look like a slot machine and;

Option 2: Requires signage on each game.

**Commissioner Gray moved to file for further discussion option 2.**  
**Commissioner Troyer seconded.**  
**Motion approved 5:0.**

**Group 12 Amusement Games.**

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

**Assistant Director Tina Griffin** explained Rules Package #6 dealt with recordkeeping and non-transferability of tokens.

**Ms. Griffin stated staff recommended filing for further discussion.**

**Vice-Chair Sizemore moved to file.**  
**Commissioner Gray seconded.**  
**Motion approved 5:0.**

**Chair Stearns**, called for a break at 4:20p.m. At 4:42pm the meeting was called back to order.

**New Licenses and Class III Employees**

*Tina Griffin, Assistant Director*

**Assistant Director Tina Griffin** explained there are currently 49 licensed and operating house-banked card rooms. Staff recommends approval of the new licenses and Class III gaming employees listed on pages 1 through 14. Staff also recommends approval of the Snoqualmie Class III certifications held over from February.

**Commissioner Patterson moved to approve new licenses and Class III Certifications.**  
**Commissioner Gray seconded the motion.**  
**Motion approved 5:0.**

**Snoqualmie Class III Certifications**

**Commissioner Patterson moved to approve the Class III Certifications from Snoqualmie.**  
**Commissioner Gray seconded the motion.**  
**Motion approved 4:0.**

**- PUBLIC MEETING -**

**Director's Report**

*David Trujillo, Director*

Director Trujillo stated he had nothing to report.

**Legislative Update**

*Brian Considine, Managing Attorney & Legislative Liaison*

Legislative Liaison Brian Considine explained the bills listed in the memo passed and are making their way to the Governor's desk.

**Approval of Minutes – January & February 2016 Commission Meetings**

**Commissioner Gray moved to approve the January 2016 minutes.**

**Vice Chair Sizemore seconded.**

**Motion approved 5:0.**

February minutes held over to April meeting.

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

There were no further comments.

**Adjourn - Chair Stearns adjourned the meeting at 5:15pm**