

# WASHINGTON STATE GAMBLING COMMISSION

2ND OLDEST GAMBLING REGULATORY AGENCY IN THE NATION



## What's New and What's News

A NEWSLETTER FOR THE LEGISLATURE & OTHER GOVERNMENTAL AGENCIES

December 2009

This newsletter is dedicated to keeping the legislature and other governmental agencies informed of "What's New" in the Gambling Commission and "What's News."

### 2010 Legislative Session

The Gambling Commission does not have any agency requested legislation during the 2010 session. Some bills introduced in the 2009 legislative session are still alive for the 2010 session. Here are some of these bills that Commission staff is watching in 2010:

**SB 6146** – Consolidating the Gambling Commission into the Department of Licensing as the Office of Gambling Regulation.

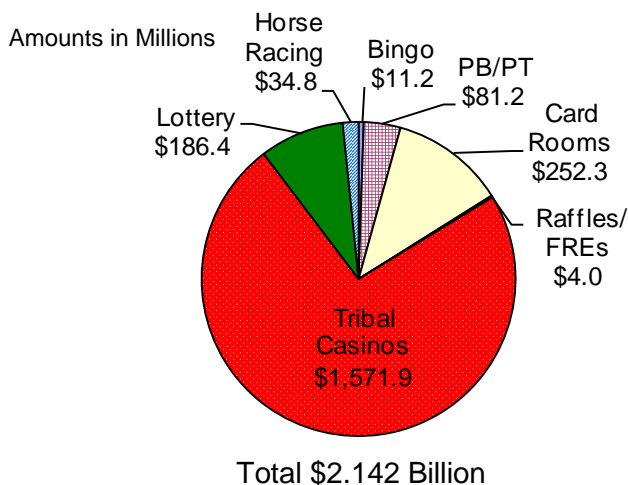
**HB 1497** – Eliminating Boards & Commissions.

**SSB 5589** – Consolidating certain councils, boards, committees, and commissions. The bill makes the Horse Racing Commission functions part of the Gambling Commission. It preserves the "Commission" structure.

**SB 5588** – Administering, suspending, and eliminating boards and commissions.

**SSB 5994/HB 2151** – Eliminating boards and commissions on June 30, 2010.

### 2009 Gambling Net Receipts



2009 = 6/08 to 6/09

2008 Total New Receipts—\$2.109 Billion

2007 Total Net Receipts —\$1.962 Billion

Net Receipts = wagers minus prizes paid.

PB/PT= Punchboard & Pull-Tabs  
FRE= Fund Raising Event

### Definition of Gambling

Commission staff is also watching **SB 6103**. This would re-define gambling in light of the recent Betcha.com court decision. In this decision, the court held that the ability to renege on a bet meant that the activity was no longer gambling.

We are concerned the decision has broader implications than just the case that was before the court. If the definition is left unchanged, the case creates an opening for crimes, such as bookmaking and professional gambling, and other potential circumventions of the Gambling Act.

In 2009, the Commission supported this bill.

**SB 6152** and **HB 2355** are companion bills and similar to **SB 6103**, except for an additional sentence about fines and forfeitures.

### Limiting House-Banked Card Rooms

Another bill Commission staff is watching is **HB 2162**. Local Governments to Limit House-Banked Social Card Games within their jurisdictions. This bill is another version of bills limiting house-banked card rooms that have been introduced nearly every session over the past ten years.

Presently, jurisdictions have an "all or nothing" choice. They can either permit gambling without limiting locations, or they can prohibit the activity.

In 2009, the Commission voted to support this (the Commission has either opposed or remained neutral in past years) because the bill:

- Allows jurisdictions to keep current card rooms and not add any more.
- Gives card rooms that may be annexed into a jurisdiction that prohibits card rooms at least three years to operate in that jurisdiction.
- Does not authorize jurisdictions to pick and choose which licensees they want or to create "red light" districts.
- Does not put a freeze on the number of card rooms statewide.

**Our Mission: Protect the Public by Ensuring that Gambling is Legal and Honest.**

## Investigations

RCW 9.46.210 gives us law enforcement authority to investigate, enforce, and prosecute all gambling violations. Law enforcement powers are needed to investigate these illegal activities:

- Theft
- Cheating
- Embezzlement
- Fraud
- Bookmaking
- Money laundering
- Illegal card or dice games
- Loansharking
- Animal fights
- Internet gambling
- Other criminal activities related to gambling

In Fiscal Year 2009,\* our Field Operations Division investigated 403 complaints from the public and initiated 504 additional investigations to ensure gambling was operating legally and honestly.

As a result of these investigations:

- 740 violations of gambling rules/laws were found.
- 166 criminal violations were found.
- 58 criminal cases were sent to prosecutors.

We also conduct background investigations on nearly everyone involved in a gambling business. We licensed almost 3,700 commercial and nonprofit organizations in 2009. We also regulate over 17,880 individuals (such as dealers) in the tribal and non-tribal gambling industry.

Also in Fiscal Year 2009, Commission staff conducted 21,885 criminal history checks and processed 3,188 fingerprint cards.

\*Fiscal Year 2009– 7/08 through 6/09

## Primary Legislative Contacts



**Rick Day**  
**Director**  
(360)486-3446  
RickD@wsgc.wa.gov



**Amy B. Hunter**  
**Legislative Liaison**  
(360)486-3463  
AmyB@wsgc.wa.gov

## Study to Consolidate Agencies

During the 2009 Legislative Session, the agreed budget bill that the Governor signed instructed the Office of Financial Management (OFM) to conduct a study looking at consolidating or transferring activities of the Lottery Commission, Horse Racing Commission, Liquor Control Board, and Gambling Commission in order to achieve cost savings or regulatory efficiencies. OFM completed the study and provided a report to legislative fiscal committees on November 15, 2009.



The overall conclusion was that while these four agencies are assumed to share some commonality in services, there is little connection in the delivery of these services. As a result, consolidation would not likely provide time or cost savings for most clients or licensees, but the four agencies should continue cooperative efforts.

The full report can be viewed at: [www.ofm.wa.gov/reports/AgencyConsolidationStudy.pdf](http://www.ofm.wa.gov/reports/AgencyConsolidationStudy.pdf)

## Underage Gambling Public Service Announcement

During the 2009 Legislative Session, SSB 5040 was passed making underage gambling a civil infraction. The penalty includes a fine of up to \$125, up to four days of community restitution and court costs. The minor would also forfeit their winnings. On October 6, 2009, we launched a statewide Communications, Education, & Awareness Program for underage gambling and the risks associated with it.

A website was created– [www.NotAZander.com](http://www.NotAZander.com). This website has links to Facebook, Twitter, & YouTube pages about NotAZander.com.

The Not A Zander campaign won a Gold Award in the MarCom Awards. MarCom is an international competition for marketing. The international organization consists of several thousand marketing, communication, advertising, and media production professional. Only 18% of 5,000 entries receive a Gold Award.

We are working with the Evergreen Council on Problem Gambling to give presentations about problem gambling directed at youth and highlighting the Not A Zander campaign. Nine presentations were given in October and November 2009.