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RECEIVED
JUN 20 2005
GAMBLING COMMISSION
COMM & LEGAL DEPT

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**Washington State Gambling Commission**, this letter is a request to update the current allowable rake for player produced jackpots. In regards to poker, $1 may be taken out per pot for a player supported jackpot. This $1 amount has not changed since Wac 230-12-072 was conceived. The persons responsible for this letter would like an additional $1 to be added to the optional player supported jackpot. With this additional dollar better promotions could be developed to ensure strong guest relations and a continuing growth of player base.

The main competition for all State regulated gaming establishments, are the internet sites. These sights are not regulated or legal in Washington State. With very little diligence you will find that the trend of these sites is increased jackpots in the form of bad beats and various forms of jackpots. These additional funds are supported by additional funds collected from jackpot rakes.

Not only do these illegal sites take millions out of our State economy annually, but the have no regulatory body to ensure their integrity.

The additional monies we would be taking from each pot will not affect profitability directly. All new funds will go back to the playing guests in the form of jackpots. This rule update will only allow poker rooms to give the playing guests a modern size jackpot structure to play for. This is what our guests are telling us they want.

We have included a petition for adoption, amendment with this letter and hope the Commission will take this into consideration for approval.

Sincerely, John Mitchell

206-546-4144

# PETITION FOR ADOPTION, AMENDMENT, OR REPEAL OF A STATE ADMINISTRATIVE RULE (RCW 34.05.330)

The Office of Financial Management (OFM) has adopted this form for members of the public who wish to petition a state agency to adopt, amend, or repeal an administrative rule (regulation). Full consideration will be given to a petitioner's request.

To obtain this form in an alternate format, call OFM at (360) 902-0555 or TTY (360) 664-9437.

Please complete the following:

| PETITIONER'S NAME (PLEASE PRINT) | | TELEPHONE NUMBER (INCLUDE AREA CODE) | | |
|---|---|---|---|---|
| John Mitchell | | 206 546-4144 | | |
| STREET ADDRESS | PO BOX NUMBER | CITY | STATE | ZIP CODE |
| 16708 Aurora Ave N | | Shoreline | WA | 98133 |
| AGENCY RESPONSIBLE FOR ADMINISTERING THE RULE, IF KNOWN | | If unknown, call (360) 753-7470 for mailing information | | |

Please submit completed and signed form to the "**Rules Coordinator**" at the appropriate state agency. The agency will contact you within 60 days.

Check all that apply below and explain on the back of this form with examples. Whenever possible, attach suggested language. You may attach other pages, if needed.

☐ **1. NEW: I am requesting that a new WAC be developed**

**I believe a new rule should be developed.**

- ☐ The subject of this rule is:
- ☐ The rule will affect the following people:
- ☐ The need for the rule is

☒ **2. AMEND: I am requesting a change to existing WAC** 230-40-610.

☐ **3. REPEAL: I am requesting existing WAC**_____ **be removed.**

**I believe this rule should be changed or repealed because (check one or more):**

- ☐ It does not do what it was intended to do.
- ☐ It imposes unreasonable costs.
- ☐ It is applied differently to public and private parties.
- ☐ It is not clear.
- ☐ It is no longer needed.
- ☐ It is not authorized. The agency has no authority to make this rule.
- ☐ It conflicts with another federal, state, or local law or rule. Please list number of the conflicting law or rule, if known
- ☐ It duplicates another federal, state, or local law or rule. Please list number of the duplicate law or rule, if known
- ☒ Other (please explain): Using a rake to find PSJ (2) would like to change not to exceed one dollar per hand to not to exceed two dollars per hand...

| PETITIONER'S SIGNATURE | DATE |
|---|---|
| | 6-8-05 |

OFM 01

**AMENDATORY SECTION:**

**WAC 230-40-610 Player-supported jackpots -- Restrictions -- Manner of conducting -- Approval.** A player-supported jackpot (PSJ) is a separate contest of chance directly related to the play and/or outcome of authorized nonhouse-banked card games but which is not the card game itself. Card rooms with a Class F or house-banked license may establish a prize fund for the purpose of operating a PSJ for nonhouse-banked card games. Any PSJ must be approved in writing by the director or the director's designee prior to play. A PSJ must meet the following requirements:

**Funding a PSJ.**

(1) A licensee may provide house funds to establish a PSJ. The licensee shall issue a check from the general business account into the PSJ account to start the prize fund. Recouping of start up funds shall be done by issuing a check from the PSJ account to the business general account. Electronic bank transfers shall satisfy this requirement. Start up funds shall not exceed five thousand dollars per PSJ.

**Using a rake to fund a PSJ.**

(2) A licensee may assess a portion of players' wagers for a jackpot prize. Such amount shall not exceed ((~~one dollar~~)) two dollars per hand or game for each PSJ. This assessment shall be separately collected using the rake method.

**PSJ funds are player funds - exception from administrative fee.**

(3) The licensee acts only as the custodian of the PSJ funds, including any interest earned on this money, and maintains no legal right to the funds. All PSJ funds shall be awarded as prizes, based upon a format approved by commission staff. An administrative fee not to exceed ten percent of the amount collected for a PSJ may be imposed by the licensee. This administrative fee includes all expenses incurred by the licensee, including banking fees. No other expenses beyond the ten percent administrative fee shall be deducted from the PSJ account.

**Prize fund custodian.**

(4) Each licensee shall designate at least one "prize fund custodian" who shall be responsible for safeguarding and disbursing funds to winners. A prize fund custodian may be an owner, partner, officer, or licensed individual designated by a card room owner, partner, or officer. The custodian shall have signature authority for prize fund bank accounts and ensure accountability of all funds collected for use in a PSJ. The licensee shall meet the deposit requirements of WAC 230-40-608.

**Payout of prizes.**

(5) Prize amounts paid in cash shall not exceed two thousand five hundred dollars. Prize amounts not awarded in cash shall be paid within twenty-four hours, by check, the type which provides a duplicate copy. A record of all prizes paid shall be maintained in the format prescribed by commission staff and shall include:

(a) For prizes less than one hundred dollars, a system of accounting denoting each individual prize may be utilized.

(b) For prizes one hundred dollars and above, the following information shall be recorded on a prize record:

(i) Full printed name;
(ii) Date of birth;
(iii) Street address;
(iv) Type of identification reviewed;
(v) Amount of the prize awarded;
(vi) Description of the winning hand;
(vii) Time and date awarded; and

(viii) The supervisor's and dealer's initials.

(c) When awarding a prize of five hundred dollars or more, the dealer must, in view of the surveillance camera, display the value and suit of each card in the winning hand, and the remaining cards in the deck must be counted and put in numerical order by suit to confirm a complete deck. The hand shall be collected and sealed with the prize record. The winning hand and remaining deck shall be maintained on the premises as part of daily card room records for a period of seven days, unless released by a commission agent.

**Owners and employees competing for a PSJ.**

(6) Owners, custodians and on-duty card room employees may participate in card games that offer a PSJ, but may not share in the winnings of any prize awarded. Any prize winnings an owner or on-duty employee may be entitled to under game rules, must be divided equally among the other players at the table: Provided, That off-duty employees may participate in card games that offer a PSJ and share in the prize winnings.

**Owners and employees showing cards.**

(7) Owners and on-duty card room employees must turn their cards face up at the end of each game so they may be observed by other players at the table and surveillance if:

(a) Playing in a game with a PSJ;
(b) The prize is not based upon a predetermined hand; and
(c) There is a qualifying hand at the end of a game (such as a "bad beat" hand).

**House dealer required.**

(8) All card games offering a PSJ must utilize a house dealer.

**Security requirements.**

(9) Each gaming table offering a PSJ shall be required to install a closed circuit television system as outlined in WAC 230-40-625: Provided, That licensees operating any house-banked card games shall follow the security requirements set forth in WAC 230-40-825 for all tables in the card room, including those offering a PSJ.

**Removing a PSJ from play.**

(10) The following procedures shall be followed for all discontinued player-supported jackpots:

*Discontinued.*

(a) In the event a licensee elects to discontinue a PSJ, the balance, less any nonrecouped seed money, shall be distributed to players within sixty days of discontinuance by offering an approved promotion or card tournament of the same game under which the PSJ was originally accrued.

*Closure of business.*

(b) In the event a licensee ceases to operate a card room, or fails to maintain a valid card room license, all funds associated with the PSJ shall be distributed to the Washington state council on problem gambling.

*Posting rules.*

(c) The licensee shall conspicuously post a sign stating how PSJ money will be distributed in the event the PSJ is discontinued or the business closes. The sign must be posted at the inception of the PSJ.

**House rules.**

(11) House rules, to include administrative fees shall be posted in a location readily visible by all players and disclose the conditions under which prizes may be won, the prize amount, cost to participate, and any other conditions which may affect the outcome of the game.

**Dispute resolution.**

(12) If a dispute arises involving the outcome of a PSJ, the licensee shall preserve the video recording, the winning hand and remaining deck, and all records for the game where the dispute occurred and shall notify commission staff within twenty-four hours. The licensee shall document all information pertaining to the dispute including:

(a) The names, addresses, and phone numbers of all players, card room staff, and any witnesses involved;
(b) Amount of the advertised PSJ; and
(c) A full description of the circumstances surrounding the dispute.
(13) All disputes involving a PSJ will be investigated by commission staff, with a report submitted to the director. A written decision will be issued by the director, or the director's designee, and such decision shall be final.

(14) During the course of dispute resolution, the commission may become the temporary custodian of any and all prize funds. The PSJ will be suspended until the dispute is resolved.