
SENATE BILL 5212

State of Washington

67th Legislature

2021 Regular Session

By Senators King and Liias

1 AN ACT Relating to authorizing sports wagering at cardrooms and
2 racetracks; amending RCW 9.46.0335, 9.46.153, 9.46.155, 9.46.210,
3 9.46.240, 67.04.010, 67.04.020, 67.04.030, 67.04.040, 67.04.050,
4 67.04.060, 67.04.070, and 67.04.080; adding a new section to chapter
5 82.04 RCW; adding a new section to chapter 67.04 RCW; adding a new
6 chapter to Title 9 RCW; recodifying RCW 67.24.010; decodifying RCW
7 67.24.020; and prescribing penalties.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

9 NEW SECTION. **Sec. 1.** The definitions in this section apply
10 throughout this chapter unless the context clearly requires
11 otherwise.

12 (1) "Cardroom" means a business licensed to conduct social card
13 games pursuant to RCW 9.46.0325 as of December 1, 2020.

14 (2) "Collegiate sport or athletic event" has the same meaning as
15 in RCW 9.46.038.

16 (3) "Commission" means the Washington state gambling commission
17 created in RCW 9.46.040.

18 (4) "Fantasy sports activity" means any fantasy or simulated
19 activity or contest with an entry fee in which a participant owns or
20 manages an imaginary team and competes against other participants or
21 a target score for a predetermined prize with the outcome reflecting

1 the relative skill of the participants and determined by statistics
2 generated based on performance by actual individuals participating in
3 actual competitions or athletic events, provided that the outcome
4 must not be based solely on the performance of an individual athlete,
5 or on the score, point spread, or any performance of any single real
6 team or combination of real teams. "Fantasy sports activity" does not
7 include any activity in which no entry fee is paid to the fantasy
8 sports operator or in which a prize is not collected, managed, or
9 awarded by the operator.

10 (5) "Internet sports pool operator" means an entity that is
11 licensed as a casino service industry enterprise and that holds a
12 license issued by the commission to operate an online sports pool.

13 (6) "Online sports pool" means a sports wagering operation in
14 which wagers on sports events are made through computers or mobile or
15 interactive devices and accepted at a sports wagering lounge through
16 an online gaming system that is operating pursuant to a sports
17 wagering license issued by the commission.

18 (7) "Operator" means a sport wagering licensee that has elected
19 to operate a sports pool, either independently or jointly, and any
20 entity with whom a sport wagering licensee contracts to operate a
21 sports pool or online sports pool, including an internet sports pool
22 operator, on its behalf.

23 (8) "Professional sport or athletic event" has the same meaning
24 as in RCW 9.46.038.

25 (9) (a) "Prohibited sports event" means any collegiate sport or
26 athletic event that takes place in this state or a sport or athletic
27 event in which any Washington state college team participates
28 regardless of where the event takes place. "Prohibited sports event"
29 includes all high school sports events, electronic sports, and
30 competitive video games, but does not include international sports
31 events in which persons under age 18 make up a minority of the
32 participants.

33 (b) "Prohibited sports event" does not include the other games of
34 a collegiate sport or athletic tournament in which a Washington state
35 college team participates, nor does it include any games of a
36 collegiate tournament that occurs outside Washington state, even
37 though some of the individual games or events are held in Washington.

38 (10) "Racetrack" means a business licensed to conduct horse race
39 meets under a license issued by the Washington horse racing
40 commission pursuant to chapter 67.16 RCW as of December 1, 2020.

1 (11) "Sports event" means any professional sport or athletic
2 event, any Olympic or international sports competition event, or any
3 collegiate sport or athletic event, or any portion thereof,
4 including, but not limited to, the individual performance statistics
5 of athletes in a sports event or combination of sports events.
6 "Sports event" does not include a prohibited sports event or a
7 fantasy sports activity.

8 (12) "Sports pool" means the business of accepting wagers on any
9 sports event by any system or method of wagering including, but not
10 limited to, single-game bets, teaser bets, parlays, over/under, money
11 line, pools, exchange wagering, in-game wagering, in-play bets,
12 proposition bets, or straight bets.

13 (13) "Sports wagering lounge" means an area wherein an authorized
14 sports pool is operated at a cardroom or racetrack complex.

15 NEW SECTION. **Sec. 2.** (1) The legislature authorizes sports
16 wagering through sports pools and online sports pools by a cardroom
17 or racetrack as provided in this chapter. This chapter does not apply
18 to sports wagering authorized pursuant to RCW 9.46.0364.

19 (2) Sports wagering conducted pursuant to the provisions of this
20 chapter does not constitute bookmaking and is not subject to civil or
21 criminal penalties.

22 (3) The commission has the power to issue all sports wagering
23 licenses and renewals to cardrooms and racetracks. The commission
24 must hear and promptly decide all applications for a sports wagering
25 license. No sports wagering license may be issued until the execution
26 of a tribal compact amendment authorizing sports wagering has been
27 completed.

28 (4) The license to operate a sports pool is in addition to any
29 other license required to be issued pursuant to chapters 9.46 and
30 67.16 RCW.

31 (5) A sports wagering licensee may operate a sports pool in
32 accordance with the provisions of this chapter.

33 (6) A sports wagering licensee may enter into an agreement to
34 jointly operate a sports pool at a racetrack in accordance with the
35 provisions of this chapter.

36 (7) A sports wagering licensee may conduct an online sports pool
37 or may authorize an internet sports pool operator licensed as a
38 casino service industry enterprise to operate an online sports pool

1 on its behalf, provided the terms of the agreement are approved by
2 the commission.

3 (8) The powers and duties of the commission specified in chapter
4 9.46 RCW and other provisions with respect to licensees apply to the
5 extent not inconsistent with the provisions of this chapter.

6 (9) The commission has the authority to charge a cardroom and a
7 racetrack a fee for the issuance of a sports wagering license in an
8 amount of \$100,000 for the initial issuance and, in the case of a
9 renewal, a reasonable fee adopted by rule that is based upon the
10 expense associated with renewal, enforcement, and programs for the
11 prevention and treatment of problem gambling.

12 (10) No sports wagering license may be issued by the commission
13 to any person or entity unless it has established its financial
14 stability, integrity, responsibility, good character, and honesty.

15 (11) No license to operate a sports pool may be issued to any
16 person or entity that is disqualified for a license under chapter
17 9.46 or 67.16 RCW.

18 (12) A licensee must submit to the commission, no later than five
19 years after the date of the issuance of a license and every five
20 years thereafter, or within such lesser periods as the commission may
21 direct, documentation or information as the commission may, by rule,
22 require to demonstrate to the satisfaction of the commission that the
23 licensee continues to meet the requirements of this chapter.

24 (13) The commission, following consultation with the sports
25 wagering licensees, must annually provide a report to the governor
26 and the appropriate committees of the legislature on the impact of
27 sports wagering, including internet wagering on sports events, on
28 problem gamblers and gambling addiction in the state. The report must
29 be prepared by a private organization or entity with expertise in
30 serving the needs of persons with gambling addictions, as selected by
31 the commission. The report must be distributed by the commission. Any
32 costs associated with the preparation and distribution of the report
33 will be borne by the licensees who have been authorized by the
34 commission to conduct internet gaming, and the commission is
35 authorized to assess a fee against the licensees for these purposes.
36 The commission may also periodically report to the governor and the
37 appropriate committees of the legislature on the effectiveness of the
38 statutory and regulatory controls in place to ensure the integrity of
39 gaming operations through the internet.

1 NEW SECTION.

2 **Sec. 3.**

3 (1) Each sports wagering licensee may
4 provide no more than one branded sports wagering website, which may
5 have an accompanying mobile application bearing the same brand as the
6 website for an online sports pool. Any sports wagering website and
7 mobile application must only allow wagering at that card room or
8 racetrack complex.

9 (2) No online sports pool may be opened to the public, and no
10 sports wagering, except for test purposes, may be conducted until an
11 internet sports pool operator receives a sport wagering license or
12 pursuant to the terms of a compact.

13 (3) Sports wagering licensees and operators may provide
14 promotional credits, incentives, bonuses, complimentaries, or similar
15 benefits designed to induce sports betters to wager.

16 (4) The server or other equipment used by a sports wagering
17 licensee to accept wagers at a sports pool or online sports pool must
18 be located in that cardroom or racetrack complex.

19 (5) A sports pool must be operated in a sports wagering lounge
20 located at the cardroom or racetrack complex. A sports wagering
21 lounge may be located at a casino simulcasting facility. The sports
22 wagering lounge must conform to all requirements concerning square
23 footage, design, equipment, security measures, and related matters
24 which the commission may prescribe. The space required for the
25 establishment of a sports wagering lounge must not reduce the space
26 authorized for other gambling activities pursuant to other laws or
27 rules.

28 (6) A sports wagering licensee may not operate a sports pool or
29 accept wagers via an online sports pool unless a sports wagering
30 lounge is established and has commenced operation in its complex;
31 provided, however, that a sports wagering licensee may petition the
32 commission to commence operation of the sports pool at either a
33 temporary facility or an online sports pool, or both, during the
34 pendency of construction of a sports wagering lounge in its complex.
35 The temporary facilities may include, at the discretion of the
36 commission, the utilization of designated windows at the current
37 casino cage or racetrack betting window for purposes of placing
38 sports betting wagers and self-service wagering machines located at
39 the complex.

 (7) The operator must establish or display the odds at which
wagers may be placed on sports events.

1 (8) An operator may accept wagers on sports events only: (a) From
2 persons physically present in the sports wagering lounge; (b) through
3 self-service wagering machines located in its complex as authorized
4 by the commission; or (c) through an online sports pool.

5 (9) A person placing a wager on a sports event must be at least
6 18 years of age.

7 NEW SECTION. **Sec. 4.** (1) A sports pool or online sports pool
8 may not be offered or made available for wagering to the public by
9 any entity other than a sports wagering licensee operating such pool
10 on behalf of a licensee, or an internet sports pool operator on
11 behalf of a sports wagering licensee.

12 (2) Any person who offers a sports pool or an online sports pool
13 without a license or pursuant to a compact is guilty of a class B
14 felony and is subject to a fine of not more than \$25,000, and, in the
15 case of a person other than a natural person, a fine of not more than
16 \$100,000.

17 NEW SECTION. **Sec. 5.** (1) (a) Any person who: (i) Is an athlete,
18 coach, referee, or director of a sports governing body or any of its
19 member team; (ii) is a sports governing body or any of its member
20 teams; (iii) is a player or a referee personnel member in or on any
21 sports event overseen by that person's sports governing body based on
22 publicly available information; (iv) holds a position of authority or
23 influence sufficient to exert influence over the participants in a
24 sporting contest including, but not limited to, coaches, managers,
25 handlers, athletic trainers, or horse trainers; (v) has access to
26 certain types of exclusive information on any sports event overseen
27 by that person's sports governing body based on publicly available
28 information; or (vi) is identified by any lists provided by the
29 sports governing body to the commission may not have any ownership
30 interest in, control of, or otherwise be employed by, an operator, a
31 sports wagering licensee, or a facility in which a sports wagering
32 lounge is located, or place a wager on a sports event that is
33 overseen by that person's sports governing body based on publicly
34 available information. Any person who violates this subsection is
35 guilty of a misdemeanor and must, upon conviction, be punished by
36 either imprisonment in the county jail for a maximum term fixed by
37 the court of not more than 90 days or a fine in an amount fixed by
38 the court of not more than \$1,000, or both.

1 (b) Any employee of a sports governing body or its member teams
2 who is not prohibited from wagering on a sports event must provide
3 notice to the commission prior to placing a wager on a sports event.

4 (c) The direct or indirect legal or beneficial owner of 10
5 percent or more of a sports governing body or any of its member teams
6 may not place or accept any wager on a sports event in which any
7 member team of that sports governing body participates.

8 (2) The prohibition set forth in subsection (1) of this section
9 does not apply to any person who is a direct or indirect owner of a
10 specific sports governing body member team, and (a) the person has
11 less than 10 percent direct or indirect ownership interest in a
12 casino or racetrack, or (b) the shares of such person are registered
13 pursuant to section 12 of the securities exchange act of 1934 (15
14 U.S.C. Sec. 781), as amended, and the value of the ownership of such
15 team represents less than one percent of the person's total
16 enterprise value.

17 (3) An operator must adopt procedures to prevent persons who are
18 prohibited from placing sports wagers from wagering on sports events.

19 (4) An operator may not accept wagers from any person whose
20 identity is known to the operator and:

21 (a) Whose name appears on any self-exclusion programs list
22 provided under RCW 9.46.071;

23 (b) Who is the operator, director, officer, owner, or employee of
24 the operator or any relative thereof living in the same household as
25 the operator;

26 (c) Who has access to nonpublic confidential information held by
27 the operator; or

28 (d) Who is an agent or proxy for any other person.

29 (5) An operator must adopt procedures to obtain personally
30 identifiable information from any individual who places any single
31 wager in an amount of \$10,000 or greater on a sports event while
32 physically present in a cardroom or racetrack complex.

33 NEW SECTION. **Sec. 6.** The sports wagering licensee may contract
34 with an entity to conduct the operation in accordance with the rules
35 adopted by the commission. That entity must obtain a license as a
36 casino service industry enterprise, in accordance with the rules
37 adopted by the commission, prior to the execution of any contract.

1 NEW SECTION. **Sec. 7.** (1) An operator must promptly report to
2 the commission:

3 (a) (i) Any criminal or disciplinary proceedings commenced against
4 the operator or its employees in connection with the operations of
5 the sports pool or online sports pool; (ii) any abnormal betting
6 activity or patterns that may indicate a concern about the integrity
7 of a sports event or events; (iii) any other conduct with the
8 potential to corrupt a betting outcome of a sports event for purposes
9 of financial gain including, but not limited to, match fixing; and

10 (b) Suspicious or illegal wagering activities, including the use
11 of funds derived from illegal activity, wagers to conceal or launder
12 funds derived from illegal activity, the use of agents to place
13 wagers, or the use of false identification.

14 (2) The commission is authorized to share any information under
15 this section with any law enforcement entity, team, sports governing
16 body, or regulatory agency the commission deems appropriate.

17 NEW SECTION. **Sec. 8.** An operator must maintain records of
18 sports wagering operations as specified by the commission.

19 NEW SECTION. **Sec. 9.** (1) A sports wagering licensee may, in
20 addition to having a sports wagering lounge, conduct wagering on
21 authorized sports events through one or more kiosks or self-service
22 wagering stations located within its complex. The self-service
23 wagering stations may offer games authorized by the commission.

24 (2) All wagers on sports events authorized under this chapter
25 must be initiated, received, and otherwise made within this state
26 unless otherwise determined by the commission in accordance with
27 applicable federal and state laws. Consistent with the intent of the
28 United States congress as articulated in the unlawful internet
29 gambling enforcement act of 2006, 31 U.S.C. Sec. 5361 et seq., the
30 intermediate routing of electronic data relating to a lawful
31 intrastate wager authorized under this chapter does not determine the
32 location or locations in which such wager is initiated, received, or
33 otherwise made.

34 NEW SECTION. **Sec. 10.** (1) Applicants for, and holders of, a
35 sports wagering license must be required to disclose the identity of
36 the following: (a) Each board-appointed officer of the applicant or
37 holder; (b) each director of the applicant or holder; (c) each person

1 who directly holds any voting or controlling interest of five percent
2 or more of the securities issued by such applicant or holder; (d)
3 each person who directly holds any nonvoting or passive ownership
4 interest of 25 percent or more of the securities issued by such
5 applicant or holder; and (e) each holding or intermediary company of
6 an applicant for, or holder of, an operator.

7 (2) As to each holding, intermediary, and subsidiary company or
8 entity of an applicant for, or holder of, a sports wagering license,
9 applicants and holders are required to establish and maintain the
10 qualifications of the following: (a) Each board-appointed officer of
11 the entity; (b) each director of the company or entity; (c) each
12 person who directly holds any voting or controlling interest of five
13 percent or more of the securities issued by such applicant or holder;
14 and (d) each person who directly holds any nonvoting or passive
15 ownership interest of 25 percent or more in the holding or
16 intermediary company.

17 NEW SECTION. **Sec. 11.** (1) All persons employed directly in
18 wagering-related activities conducted in a sports wagering lounge and
19 an online sports pool must be licensed as a sports wagering key
20 employee or registered as a sports wagering employee.

21 (2) All other employees who are working in the sports wagering
22 lounge may be required to be registered by the commission.

23 (3) Each operator must designate one or more sports wagering key
24 employees who are responsible for the operation of the sports pool.
25 At least one sports wagering key employee must be on the premises
26 whenever sports wagering is conducted.

27 NEW SECTION. **Sec. 12.** (1) Except as otherwise provided by this
28 chapter, the commission has the authority to regulate sports pools,
29 online sports pools, and the conduct of sports wagering under this
30 chapter.

31 (2) No cardroom or racetrack may be authorized to operate a
32 sports pool or online sports pool unless it has produced, to the
33 satisfaction of the commission, information, documentation, and
34 assurances concerning its financial background and resources,
35 including cash reserves, that are sufficient to demonstrate that it
36 has the financial stability, integrity, and responsibility to operate
37 a sports pool or online sports pool.

1 (3) In developing and adopting rules applicable to sports
2 wagering, the commission may examine the regulations implemented in
3 other states where sports wagering is conducted and may, as far as
4 practicable, adopt a similar regulatory framework. The commission
5 will adopt rules necessary to carry out the provisions of this
6 chapter, including regulations governing the:

7 (a) Amount of cash reserves to be maintained by operators to
8 cover winning wagers;

9 (b) Acceptance of wagers on a series of sports events;

10 (c) Maximum wagers which may be accepted by an operator from any
11 one patron on any one sports event;

12 (d) Type of wagering tickets which may be used;

13 (e) Method of issuing tickets;

14 (f) Method of accounting to be used by operators;

15 (g) Types of records which must be kept;

16 (h) Use of credit and checks by patrons;

17 (i) Type of system for wagering;

18 (j) Protections for a person placing a wager; and

19 (k) Display of the words "If you or someone you know has a
20 gambling problem and wants help, call 1-800 GAMBLER," or some
21 comparable language approved by the commission, which language must
22 include the words "gambling problem" and "call 1-800 GAMBLER" in all
23 print, billboard, sign, online, or broadcast advertisements of a
24 sports pool, online sports pool, and sports wagering lounge.

25 NEW SECTION. **Sec. 13.** (1) Each operator must adopt
26 comprehensive house rules governing sports wagering transactions with
27 its patrons that must be approved by the commission.

28 (2) The rules must specify the amounts to be paid on winning
29 wagers and the effect of schedule changes.

30 (3) The house rules, together with any other information the
31 commission deems appropriate, must be conspicuously displayed in the
32 sports wagering lounge, posted on the operator's internet website,
33 and included in the terms and conditions of the account wagering
34 system, and copies must be made readily available to patrons.

35 NEW SECTION. **Sec. 14.** Whenever a sports wagering licensee or
36 two licensees enter into an agreement to jointly establish a sports
37 wagering lounge, and to operate and conduct sports wagering under
38 this chapter, the agreement must specify the distribution of revenues

1 from the joint sports wagering operation among the parties to the
2 agreement.

3 NEW SECTION. **Sec. 15.** (1) There is levied, and collected from
4 every sports wagering licensee in this state, a tax in the amount of
5 10 percent of the gaming revenue.

6 (2) Gaming revenue from sports wagering must be sourced to the
7 location where the bet is placed.

8 (3) Sports wagering licensees subject to the tax imposed by this
9 chapter must report to the department of revenue the amount of gaming
10 revenue earned by location, and identifying the amount of gaming
11 revenue received from wagers or bets placed.

12 (4) The tax imposed by this chapter must be paid to, and
13 administered by, the department of revenue. The administration of the
14 tax is governed by the provisions of chapter 82.32 RCW.

15 (5) For purposes of this section, "gaming revenue" means the
16 total amount wagered less winnings paid out.

17 NEW SECTION. **Sec. 16.** If a patron does not claim a winning
18 sports pool wager within one year from the time of the event, the
19 obligation of the operator to pay the winnings expires and the
20 operator will retain 50 percent of the winnings and remit the
21 remaining 50 percent of the winnings to the problem gambling account
22 created in RCW 41.05.751. If the sports pool is jointly operated, the
23 operator must apportion the 50 percent of the winnings pursuant to
24 the terms of the parties' operation agreement.

25 NEW SECTION. **Sec. 17.** Wagers may be accepted or pooled with
26 wagers from persons who are not physically present in this state if
27 the commission determines that such wagering is not inconsistent with
28 federal law or the law of the jurisdiction, including any foreign
29 nation, in which any such person is located, or such wagering is
30 conducted pursuant to a reciprocal agreement to which the state is a
31 party that is not inconsistent with federal law.

32 NEW SECTION. **Sec. 18.** Sports wagering lounges at which a sports
33 pool is operated are a permitted use in all commercial, retail,
34 industrial, nonresidential, and mixed-use zoning districts of a
35 municipality.

1 law enforcement agency upon demand at all times prior to the payment
2 of the prize;

3 ~~((7))~~ (f) The person or organization conducting the ~~((pool))~~
4 sports board is conducting no ~~((other))~~ more than two sports ~~((pool))~~
5 boards on the same athletic event; and

6 ~~((8) The sports pool conforms)~~ (g) Sports boards must conform
7 to any rules and regulations of the commission ~~((applicable~~
8 ~~thereto))~~, including maximum wager limits set by the commission.

9 (2) For purposes of this section, "sports board" means a board or
10 piece of paper that is divided into 100 equal squares, each of which
11 constitutes a chance to win in the sports pool and each of which is
12 offered directly to prospective contestants.

13 **Sec. 23.** RCW 9.46.153 and 1981 c 139 s 14 are each amended to
14 read as follows:

15 (1) It shall be the affirmative responsibility of each applicant
16 and licensee to establish by clear and convincing evidence the
17 necessary qualifications for licensure of each person required to be
18 qualified under this chapter, as well as the qualifications of the
19 facility in which the licensed activity will be conducted;

20 (2) All applicants and licensees shall consent to inspections,
21 searches and seizures, and the supplying of handwriting examples as
22 authorized by this chapter and rules adopted hereunder;

23 (3) All licensees, and persons having any interest in licensees,
24 including, but not limited to, employees and agents of licensees, and
25 other persons required to be qualified under this chapter or rules of
26 the commission shall have a duty to inform the commission or its
27 staff of any action or omission which they believe would constitute a
28 violation of this chapter or rules adopted pursuant thereto, or a
29 violation of state or federal law. No person who so informs the
30 commission or the staff shall be discriminated against by an
31 applicant or licensee because of the supplying of such information;

32 (4) All applicants, licensees, persons who are operators or
33 directors thereof, and persons who otherwise have a substantial
34 interest therein shall have the continuing duty to provide any
35 assistance or information required or requested by the commission and
36 to investigations conducted by the commission. If, upon issuance of a
37 formal request to answer or produce information, evidence, or
38 testimony, any applicant, licensee or officer or director thereof, or

1 person with a substantial interest therein, refuses to comply, the
2 applicant or licensee may be denied or revoked by the commission;

3 (5) All applicants and licensees shall waive any and all
4 liability as to the state of Washington, its agencies, employees, and
5 agents for any damages resulting from any disclosure or publication
6 in any manner, other than a (~~wilfully~~) willfully unlawful
7 disclosure or publication, of any information acquired by the
8 commission during its licensing (~~(of)~~), other investigations (~~(of)~~),
9 inquiries, or hearings;

10 (6) Each applicant or licensee may be photographed for
11 investigative and identification purposes in accordance with the
12 rules of the commission;

13 (7) An application to receive a license under this chapter or
14 rules adopted pursuant thereto constitutes a request for a
15 determination of the applicant's, and those person's with an interest
16 in the applicant, general character, integrity, and ability to engage
17 or participate in, or be associated with, gambling or related
18 activities impacting this state. Any written or oral statement made
19 in the course of an official investigation, proceeding, or process of
20 the commission by any member, employee, or agent thereof, or by any
21 witness, testifying under oath, which is relevant to the
22 investigation, proceeding, or process, is absolutely privileged and
23 shall not impose any liability for slander, libel, or defamation, or
24 constitute any grounds for recovery in any civil action.

25 **Sec. 24.** RCW 9.46.155 and 2003 c 53 s 34 are each amended to
26 read as follows:

27 (1) No (~~(applicant or licensee)~~) person shall give or provide, or
28 offer to give or provide, directly or indirectly, to any public
29 official (~~(of)~~), employee, or agent of this state, or any of its
30 agencies or political subdivisions, any compensation or reward, or
31 share of the money or property paid or received through gambling
32 activities, in consideration for obtaining any license,
33 authorization, permission, or privilege to participate in any gaming
34 operations except as authorized by this chapter or rules adopted
35 pursuant thereto.

36 (2) (~~(Violation)~~) No person shall give or provide, or attempt to
37 give or provide, directly or indirectly, any compensation, reward, or
38 thing of value to a sporting event participant, including an athlete,
39 coach, referee, official, medical staff, team, school, league

1 official or employee, or anyone else having actual or potential
2 influence over a sporting event, to influence or require the sporting
3 event participant to manipulate a game or contest as prohibited in
4 chapter 67.04 RCW, or provide confidential or insider information
5 with the intent to use the information to gain an advantage in a
6 gambling activity.

7 (3) Unless otherwise provided in another title or section,
8 violation of this section is a class C felony for which a person,
9 upon conviction, shall be punished by imprisonment for not more than
10 five years or a fine of not more than one hundred thousand dollars,
11 or both.

12 **Sec. 25.** RCW 9.46.210 and 2020 c 127 s 7 are each amended to
13 read as follows:

14 (1) It shall be the duty of all peace officers, law enforcement
15 officers, and law enforcement agencies within this state to
16 investigate, enforce, and prosecute all violations of this chapter.

17 (2) In addition to the authority granted by subsection (1) of
18 this section, law enforcement agencies of cities and counties shall
19 investigate and report to the commission all violations of the
20 provisions of this chapter and of the rules of the commission found
21 by them and shall assist the commission in any of its investigations
22 and proceedings respecting any such violations. Such law enforcement
23 agencies shall not be deemed agents of the commission.

24 (3) In addition to its other powers and duties, the commission
25 shall have the power to enforce the penal provisions of this chapter
26 and chapter 9.--- RCW (the new chapter created in section 21 of this
27 act), as it may be amended, and the penal laws of this state relating
28 to the conduct of or participation in gambling activities, including
29 chapter 9A.83 RCW, and the manufacturing, importation,
30 transportation, distribution, possession, and sale of equipment or
31 paraphernalia used or for use in connection therewith. The director,
32 the deputy director, both assistant directors, and each of the
33 commission's investigators, enforcement officers, and inspectors
34 shall have the power, under the supervision of the commission, to
35 enforce the penal provisions of this chapter and chapter 9.--- RCW
36 (the new chapter created in section 21 of this act), as it may be
37 amended, and the penal laws of this state relating to the conduct of
38 or participation in gambling activities, including chapter 9A.83 RCW,
39 and the manufacturing, importation, transportation, distribution,

1 possession, and sale of equipment or paraphernalia used or for use in
2 connection therewith. They shall have the power and authority to
3 apply for and execute all warrants and serve process of law issued by
4 the courts in enforcing the penal provisions of this chapter and
5 chapter 9.--- RCW (the new chapter created in section 21 of this
6 act), as it may be amended, and the penal laws of this state relating
7 to the conduct of or participation in gambling activities and the
8 manufacturing, importation, transportation, distribution, possession,
9 and sale of equipment or paraphernalia used or for use in connection
10 therewith. They shall have the power to arrest without a warrant, any
11 person or persons found in the act of violating any of the penal
12 provisions of this chapter and chapter 9.--- RCW (the new chapter
13 created in section 21 of this act), as it may be amended, and the
14 penal laws of this state relating to the conduct of or participation
15 in gambling activities and the manufacturing, importation,
16 transportation, distribution, possession, and sale of equipment or
17 paraphernalia used or for use in connection therewith. To the extent
18 set forth above, the commission shall be a law enforcement agency of
19 this state with the power to investigate for violations of and to
20 enforce the provisions of this chapter, as now law or hereafter
21 amended, and to obtain information from and provide information to
22 all other law enforcement agencies.

23 (4) Criminal history record information that includes
24 nonconviction data, as defined in RCW 10.97.030, may be disseminated
25 by a criminal justice agency to the Washington state gambling
26 commission for any purpose associated with the investigation for
27 suitability for involvement in gambling activities authorized under
28 this chapter. The Washington state gambling commission shall only
29 disseminate nonconviction data obtained under this section to
30 criminal justice agencies.

31 (5) In addition to its other powers and duties, the commission
32 may ensure sport integrity and prevent and detect competition
33 manipulation through education and enforcement of the penal
34 provisions of this chapter or chapter 67.04 or 67.24 RCW, or any
35 other state penal laws related to the integrity of sporting events,
36 athletic events, or competitions within the state.

37 (6) In addition to its other powers and duties, the commission
38 may (~~track~~):

39 (a) Establish a sports integrity unit to prevent and detect
40 competition manipulation through education and enforcement of the

1 penal provisions of chapters 9.46, 67.04, and 9.--- RCW (the new
2 chapter created in section 21 of this act), or any other state penal
3 laws needed to protect the integrity of amateur and professional
4 sporting events and contests within the state; and

5 (b) Track and monitor gambling-related transactions occurring
6 within the state to aid in its enforcement of the penal provisions of
7 this chapter (~~(e)~~), chapters 9A.83, 9.46, and 9.--- (the new chapter
8 created in section 21 of this act) RCW, or any other state penal laws
9 related to suspicious or illegal wagering activities, including the
10 use of funds derived from illegal activity, wagers to conceal or
11 launder funds derived from illegal activity, use of agents to place
12 wagers, or use of false identification by a player.

13 **Sec. 26.** RCW 9.46.240 and 2020 c 127 s 10 are each amended to
14 read as follows:

15 (1) Whoever knowingly transmits or receives gambling information
16 by telephone, telegraph, radio, semaphore, the internet, a
17 telecommunications transmission system, or similar means, or
18 knowingly installs or maintains equipment for the transmission or
19 receipt of gambling information shall be guilty of a class C felony
20 subject to the penalty set forth in RCW 9A.20.021.

21 (2) This section shall not apply to such information transmitted
22 or received or equipment or devices installed or maintained relating
23 to activities authorized by this chapter including, but not limited
24 to, sports wagering authorized under chapter 9.--- RCW (the new
25 chapter created in section 21 of this act), RCW 9.46.0364 and
26 9.46.0368, or to any act or acts in furtherance thereof when
27 conducted in compliance with the provisions of this chapter and in
28 accordance with the rules adopted under this chapter and conducted in
29 accordance with tribal-state compacts.

30 **Sec. 27.** RCW 67.04.010 and 2012 c 117 s 294 are each amended to
31 read as follows:

32 Any person who shall bribe or offer to bribe (~~(7)~~) any (~~(baseball~~
33 ~~player)) sporting event participant, including an athlete, coach,~~
34 referee, official, medical staff, or anyone else having actual or
35 potential influence over a sporting event, with the intent to
36 influence ((his or her play, action, or conduct in any baseball
37 game)) the outcome of a play, game, match, or event, or any person
38 who shall bribe or offer to bribe any (~~(umpire of a baseball game,~~

1 ~~with intent to influence him or her to make a wrong decision or to~~
2 ~~bias his or her opinion or judgment in relation to any baseball game~~
3 ~~or any play occurring therein, or any person who shall bribe or offer~~
4 ~~to bribe any manager, or other official of a baseball club, league,~~
5 ~~or association, by whatsoever name called, conducting said game of~~
6 ~~baseball to throw or lose a game of baseball))~~ team, school, or
7 league official or employee to obtain confidential or insider
8 information on a player, team, or coach with the intent to violate
9 this chapter or use the information to gain a gambling advantage in
10 violation of chapters 9.46 and 9.--- RCW (the new chapter created in
11 section 21 of this act), shall be guilty of a ((~~gross misdemeanor~~))
12 class B felony.

13 **Sec. 28.** RCW 67.04.020 and 2012 c 117 s 295 are each amended to
14 read as follows:

15 Any ((~~baseball player~~)) sporting event athlete, player, or
16 participant who shall accept or agree to accept((~~7~~)) a bribe offered
17 for the purpose of wrongfully influencing his or her play, action,
18 decision making, or conduct in any ((~~baseball game~~)) sporting event,
19 or any umpire ((~~of a baseball game~~)), official, referee, or any other
20 person responsible for implementing game or event rules and scoring
21 who shall accept or agree to accept a bribe offered for the purpose
22 of influencing him or her to make a wrong decision, or biasing his or
23 her opinions, rulings, or judgment with regard to any play, or any
24 ((~~manager of a baseball club, or club~~)) person, including an owner,
25 manager, coach, medical staff, official, employee of a team,
26 organization, or league official, who shall accept((~~7~~)) or agree to
27 accept((~~7~~)) any bribe offered for the purpose of inducing him or her
28 to manipulate a game or contest, including to lose or cause to be
29 lost any ((~~baseball~~)) game or contest, as set forth in RCW 67.04.010,
30 shall be guilty of a ((~~gross misdemeanor~~)) class C felony.

31 **Sec. 29.** RCW 67.04.030 and 2012 c 117 s 296 are each amended to
32 read as follows:

33 To complete the offenses mentioned in RCW 67.04.010 and
34 67.04.020, it shall not be necessary that ((~~the baseball~~)) a player,
35 manager, umpire, ((~~or~~)) official, or anyone else having actual or
36 potential influence over a sporting event shall, at the time, have
37 been actually employed, selected, or appointed to perform his or her
38 respective duties; it shall be sufficient if the bribe be offered,

1 accepted, or agreed to with the view of probable employment,
2 selection, or appointment of the person to whom the bribe is offered,
3 or by whom it is accepted. Neither shall it be necessary that such
4 ~~((baseball))~~ player, umpire, ~~((or))~~ manager, official, or anyone else
5 having actual or potential influence over a sporting event actually
6 play or participate in a game or games concerning which said bribe is
7 offered or accepted; it shall be sufficient if the bribe be given,
8 offered, or accepted in view of his or her possibly participating
9 therein.

10 **Sec. 30.** RCW 67.04.040 and 2012 c 117 s 297 are each amended to
11 read as follows:

12 By a "bribe" as used in RCW 67.04.010 through 67.04.080, is meant
13 any gift, emolument, money or thing of value, testimonial, privilege,
14 appointment, or personal advantage, or the promise of either,
15 bestowed or promised for the purpose of influencing, directly or
16 indirectly, any ~~((baseball))~~ player, manager, umpire, club or league
17 official, or anyone else having actual or potential influence over a
18 sporting event to see which game an admission fee may be charged, or
19 in which game of ~~((baseball))~~ any player, manager, ~~((or))~~ umpire,
20 official, or anyone else having actual or potential influence over a
21 sporting event is paid any compensation for his or her services. Said
22 bribe as defined in RCW 67.04.010 through 67.04.080 need not be
23 direct; it may be such as is hidden under the semblance of a sale,
24 bet, wager, payment of a debt, or in any other manner designed to
25 cover the true intention of the parties.

26 **Sec. 31.** RCW 67.04.050 and 2012 c 117 s 298 are each amended to
27 read as follows:

28 Any ~~((baseball))~~ player, manager, umpire, referee, official, or
29 club or league ~~((official))~~ employee who shall commit any willful act
30 of omission or commission in playing, or directing the playing, of a
31 ~~((baseball))~~ game, sporting event, or contest, with intent to
32 ~~((cause))~~ manipulate a sporting event, including causing the ~~((ball~~
33 ~~club))~~ team, with which he or she is affiliated, to lose a
34 ~~((baseball))~~ game or event; or any umpire, referee, or official
35 officiating in a ~~((baseball))~~ game or event, or any club or league
36 ~~((official))~~ employee who shall commit any willful act connected with
37 his or her official duties for the purpose and with the intent to
38 ~~((cause))~~ manipulate a sporting event, including causing a ~~((baseball~~

1 ~~club~~) team to win or lose a (~~baseball~~) game or event, which it
2 would not otherwise have won or lost under the rules governing the
3 playing of said game, shall be guilty of a (~~gross misdemeanor~~)
4 class C felony.

5 **Sec. 32.** RCW 67.04.060 and 1921 c 181 s 6 are each amended to
6 read as follows:

7 In all prosecutions under RCW 67.04.010 through 67.04.080, the
8 venue may be laid in any county where the bribe herein referred to
9 was given, offered or accepted, or in which the (~~baseball game~~)
10 sporting event or contest was played in relation to which the bribe
11 was offered, given or accepted, or the acts referred to in RCW
12 67.04.050 committed.

13 **Sec. 33.** RCW 67.04.070 and 2012 c 117 s 299 are each amended to
14 read as follows:

15 Nothing in RCW 67.04.010 through 67.04.080 shall be construed to
16 prohibit the giving or offering of any bonus or extra compensation to
17 any manager (~~or baseball~~), player, coach, or other persons
18 connected with a collegiate or professional team, organization, or
19 league by any person to encourage such manager or player to a higher
20 degree of skill, ability, or diligence in the performance of his or
21 her duties.

22 **Sec. 34.** RCW 67.04.080 and 1921 c 181 s 8 are each amended to
23 read as follows:

24 RCW 67.04.010 through 67.04.080 shall apply only to (~~baseball~~
25 ~~league and club officials~~) sporting event leagues, teams, players,
26 referees, umpires, managers (~~and players~~), or anyone else having
27 actual or potential influence over a sporting event who act in
28 (~~such~~) their official capacity in (~~games~~) sporting events or
29 contests where the public is generally invited to attend and (~~a~~
30 ~~general admission~~) an entrance fee is charged.

31 NEW SECTION. **Sec. 35.** RCW 67.24.010 is recodified as a section
32 in chapter 67.04 RCW.

1 NEW SECTION. **Sec. 36.** RCW 67.24.020 (Scope of 1945 c 107) is
2 decodified.

--- **END** ---



Maverick Gaming is the owner and operator of 19 cardrooms in Washington State and a handful of other properties in Nevada and Colorado. As a team, we are working to establish and re-imagine what cardrooms can be as an entertainment option, employer, and community contributor. Over time, our locations will be updated on the outside to look like Maverick Gaming sister facilities across Washington. But throughout our properties, we are already working to standardize service and ensure a first class customer experience no matter which location you visit. We are proud to be here and committed to being good neighbors in the communities where we operate.

Company co-founder and CEO Eric Persson is from Hoquiam, Washington. When Maverick Gaming opened its doors in 2019, no one could have anticipated that a global pandemic would so quickly impact all of our lives. But one thing is for certain - Maverick Gaming is here to stay and the team is hard at work in safe, outdoor operations while our community grapples with COVID-19. Maverick Cares, the good neighbor program led by our team members, has been busier than ever and in the last year partnered with local organizations to provide tens of thousands of free meals to local families.

We have about 2,000 team members in Washington and supported our employees when they organized with Teamsters Local 117. Maverick Gaming is named for Eric's son. The commitments to building and sustaining a safe, reputable, fun, and respected company are serious, and heartfelt.

Public Policy

Like others in the hospitality industry that includes restaurants and bars, Maverick Gaming is tracking and engaging in public policy that addresses taxes, workers, and workplace issues. Where we are unique is that we are also regulated by the Washington State Gambling Commission. In Washington, most people are aware of tribal casinos, many of which double as destination resorts and concert venues and offer an almost-Las Vegas gambling/gaming experience. Non-tribal cardrooms – those of us in the private sector - are much smaller and are limited to a maximum of 15 tables, typically with one restaurant and bar.

A significant state legislative priority for Maverick Gaming is the legalization and regulation of sports wagering for licensed card rooms in Washington State. In the 2020 legislative session, Washington lawmakers gave access to sports betting exclusively to tribal properties, excluding private sector businesses like Maverick Gaming. While we have never disputed or opposed the ability of tribes as sovereign nations to offer sports betting, we are asking to be included in the opportunity. As of November 2020, 25 states and D.C. have legalized sports betting and are poised to realize millions in revenue as a result. Only two of those states have excluded the private sector from this opportunity. *There is room for all licensed, regulated gaming operations to be successful, both in the more expansive destinations operated by tribal nations and within the far more modest neighborhood business setting of a licensed cardroom.*

Local Benefit

Pursuit of sports wagering in Washington will unsurprisingly strengthen our business, will stabilize jobs and also create up to 10 new positions at each location. Most importantly, sports wagering will generate much needed state revenue and increase tax contributions to local governments. Maverick Gaming is proud to pay our fair share in taxes and contributes \$13 million in tax revenue for local services cumulatively among its

properties each year. Increased revenues as a result of sports books at our locations will generate additional taxes for the local jurisdictions where we are located.

Our Proposal

Maverick Gaming will pursue access to a fully regulated and taxed land-based sports wagering system. The opportunity is unique to establishments like we operate, but the benefits of its success are a part of a stronger, diversified economy that includes jobs and tax revenues to local and state coffers.

Background on Sports Betting/Wagering

- In May 2018, the Supreme Court (SCOTUS) overturned the 1992 Professional and Amateur Sports Protection Act (PASPA), declaring it unconstitutional by a 6–3 vote, opening the door to sports wagering nationwide. (See sidebar)
- The unregulated, illicit sports betting market in the U.S. is substantial. The American Gaming Association (AGA) estimates that **\$150 billion in sports bets are placed illegally across the country each year.** ([AGA Amicus Brief to SCOTUS, September 2017](#))
- Illicit bets are typically placed on the internet with offshore bookies with known ties to organized crime.
- In 2020, the Washington State Legislature approved sports wagering exclusively for tribes. Tribes pursuing the ability to offer sports betting are working to finalize gaming compacts with the updated capabilities and once complete, will be able to offer sports books, likely during 2021.

Overview: Maverick Gaming Washington Proposal

- Land Based sports wagering would be legalized for cardrooms and racetracks currently licensed in the state.
- Each license (each facility must have its own license) would be charged a \$100,000 licensing fee to fully cover the cost of a robust regulatory system focused on public safety and integrity.
- A state-level 10% tax would be imposed on the operators on all gross revenues from sports wagers. This tax would be in addition to the taxes already levied at the local level.
- Maverick Gaming proposal would not allow:
 - Betting on collegiate sports events that take place in Washington State or that involve a Washington state team and take place outside of the state would be prohibited.
 - Betting on electronic sports, high school sports, and competitive video games would be prohibited.
 - Betting by anyone under the age of 18.
- Licenses to offer sports betting by a commercial cardroom would not be granted before the first tribal compact for sports betting is complete.

States with legal, regulated sports betting up & running

Arkansas
Colorado
Delaware
Illinois
Indiana
Iowa
Michigan
Nevada
New Hampshire
New Jersey
New Mexico*
New York
Michigan
Mississippi
Montana
Oregon
Pennsylvania
Rhode Island
Tennessee
West Virginia

States where a regulated system is pending:

Washington**
Louisiana
Maryland
North Carolina**
South Dakota
Virginia

**some tribal casinos open under existing compacts*
***tribal only*

Source: [United States of Sports Betting: an updated map of where every state stands](#), [espn.com](#), 11/3/20

To learn more about Maverick Gaming's rigorous safety guidelines to protect workers and customers during the pandemic, leading commitment to responsible gaming, self-exclusion policies and community programs, please visit: <https://www.maverickgaming.com/washington>