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Chair Sizemore:

[inaudible 00:00:02] ...Our second August in replacement of our September Commission Meeting. And I want to welcome everyone.

Chair Sizemore:

We are as, obviously, still online and doing virtual meetings and I would ask that the interim director please call the roll so we can ensure we know who's here.

Tina:

Morning, everyone.

Tina:

Vice-Chair Patterson.

Vice Chair Patterson:

Here.

Tina:

Commissioner Levy.

Tina:

Commissioner Reaves.

Commissioner Reaves:

Present.

Tina:

Chair Sizemore.

Chair Sizemore:

Here.

Tina:

Senator Cornway.

Tina:

I see him.

Tina:

Senator [Holly 00:01:05] . Senator Holly and then we have... [inaudible 00:01:15]

Senator Holly:

So I muted the mic and I took off the media so we can't hear it.

Tina:

Can we have everyone mute, please. Thank you.

Tina:

And we have Representative Clover.

Representative Clover:

Here. Thank you.

Tina:

And Representative Vick.

Tina:

Okay. And then I'll try again for Commissioner Levy.

Tina:

Let me see if I can see her.

Tina:

I'm not seeing Commissioner Levy at this time.

Chair Sizemore:

Okay. Julia Anderson, if you can try to track her down.

Chair Sizemore:

Thank you for that, Tina.

Chair Sizemore:

So with that, and as we could hear during that roll call, it is important that we exercise some virtual meeting discipline to the best that we can. I'll ask that non-commissioners and non-ex-officios keep your microphones off unless you've been called upon to speak. And other than that, we will just try to continue using the good discipline that we have over this last year and a half of holding these meetings.

Chair Sizemore:

So with that, I, again, want to welcome everyone. And I would like for us to take just a brief moment of silence for those law enforcement officers that we've lost since the last time we've met. So moment of silence, please.

Chair Sizemore:

(silence)

Chair Sizemore:

Thank you.

Chair Sizemore:

With that, we do have a pretty robust agenda today and we'll get right into tab one, which is our consent agenda. It includes our August 12th, 2021 Commission Meeting minutes and new licenses and class three employees. Does anyone have any adjustments to the consent agenda?

Chair Sizemore:

Not seeing any, is there a motion?

Vice Chair Patterson:

Well, I can make that motion, Mr. Chair. This is Julia Patterson.

Chair Sizemore:

Okay. Go ahead, Vice-Chair.

Vice Chair Patterson:

So moved. I move we adopt the consent agenda.

Chair Sizemore:

Okay. Is there a second?

Commissioner Reeves:

Second.

Speaker 1:

Okay. It's been moved and seconded to adopt the consent agenda.

Speaker 1:

All those in favor, please say aye.

Vice Chair Patterson:

Aye.

Commissioner Reeves:

Aye.

Chair Sizemore:

Aye.

Chair Sizemore:

Any opposed?

Chair Sizemore:

Motion carries three to zero.

Chair Sizemore:

Which moves us now to tab two on our agenda, which is a rule petition up for discussion and possible filing related to self-exclusion. And I believe we will have Ashley Laden, our rules coordinator and John Chen, our project manager making the presentation.

Chair Sizemore:

Ashley, John, not sure which one of you are going to start us off.

Ashley Laden:

Me. Can you hear me okay?

Chair Sizemore:

Yeah. Good morning.

Ashley Laden:

Good morning, Chair Sizemore, commissioners, and ex-officios.

Ashley Laden:

For the record, I'm Ashley Laden, the rules coordinator with the Gambling Commission.

Ashley Laden:

At the October, 2019 meeting, commissioners initiated rulemaking to adopt new rules, to establish a statewide self-exclusion program.

Ashley Laden:

Before you today is draft language, which establishes a centralized statewide self-exclusion program, outlines how participants may request self-exclusion, establishes periods of enrollment, acknowledges that enrollment is voluntary, addresses disclosure of program information, establishes horse and card room licensee responsibilities, and addresses how the lists may be shared.

Ashley Laden:

Draft language was sent out to all licensees, tribal gaming entities, the Washington Healthcare Authority, the Problem Gambling Task Force, and others who have a vested interest in problem gambling, on May 3rd, 2021 for review and feedback.

Ashley Laden:

The language was modified based on that feedback that staff perceived.

Ashley Laden:

Additionally, staff sort input from clinical and research communities on whether licensees should be prohibited from adding individuals interested in self-exclusion to operator level programs instead of the centralized state program, and also how player accounts should be handled.

Ashley Laden:

A small business economic impact statement was completed on August 6th, 2021. Implementation of this new chapter is not anticipated to impose more than minor costs on horse and card room licensees.

Ashley Laden:

Initial costs will be higher as licensees will be required to notify individuals already participating in operator level programs of the statewide program's existence. They'll be required to develop procedures for implementation of the new program, and also to train staff.

Ashley Laden:

Monthly costs of implementation are expected to be relatively low and will depend on how many individuals enroll each month. Both initial and monthly costs will vary between licensees depending on the licensee's location, clientele and staffing structures.

Ashley Laden:

The small business economic impact statement and final draft language was sent out again to stakeholders for review and feedback on August 9th, 2021. The modifications shown in red were made to the language based on feedback that staff received.

Ashley Laden:

At this time, staff recommends filing this draft language for further discussion. And at this time, we'll turn it over to John Chen, the project manager who will review the process flow tracks with you, if there are no questions for me.

Chair Sizemore:

Any questions for Ashley?

Chair Sizemore:

Okay. Not seeing anyone, John, welcome.

John Chen:

Good morning, everyone.

John Chen:

For the record, my name is John Chen and I am the project manager for the Gambling Commission.

John Chen:

Today, we're going to review the rules for self-exclusion by utilizing process flow charts. As we go through the charts, the pertinent rules won't be included so it will be easy to cross reference the specific rules for clarification.

John Chen:

We have five charts covering initiation, incident reporting. We've moved off from the list pre-install licensee responsibilities and licensee responsibilities for downloading and utilizing the self-exclusion list.

John Chen:

I ask that we hold questions until we review a specific process flow so that process can be reviewed in a start to finish manner.

John Chen:

So Julie, would you bring up the presentation please?

Chair Sizemore:

Okay, John, before you get started, we won't interrupt, I see Vice-Chair Patterson has her hand up.

Vice Chair Patterson:

Thanks Mr. Chair. Maybe it's just me, but John, are you on a camera?

John Chen:

No, I'm not.

Vice Chair Patterson:

Okay, thank you.

John Chen:

I'm remote and it's not very reliable.

Vice Chair Patterson:

Okay. Thank you. I was wondering if I couldn't find you. Thank you.

Chair Sizemore:

All right.

John Chen:

Julie, can you make that larger?

John Chen:

(silence)

John Chen:

Okay. I think that's probably the best we're going to get.

John Chen:

Okay. So we will start with the initiation process and this is initiated by an individual who is seeking assistance. So the individual decides to self-exclude. They have three avenues for doing that.

John Chen:

They can go into any licensee's location and complete a form, have the licensee review it, and then that form would be forwarded to the Gambling Commission for input into the system.

John Chen:

They can also come directly into the Gambling Commission in Lacey and complete the process.

John Chen:

The third option is via mail with a notary. This is put in to help the people that are more remote, and the reason for the notary is to ensure that the individual on the application is the individual requesting to be placed on the application. So we don't want any outside assistance.

John Chen:

Once the application is accepted at the Gambling Commission, the individual will receive problem gambling information, individual leaves, individual is at that point, excluded.

John Chen:

The information for the problem gambling will be provided, either by the licensee, or at the Gambling Commission.

John Chen:

Gambling staffs enters the application and the information that is pertinent in there would be the information governing the person's identification and also the self-exclusion that they are requesting, the term. And then there are also, on the application, areas where they initial signifying understanding of various pieces of the application process.

Ashley Laden:

John, Representative Clover has a question.

John Chen:

Yes.

Representative Clover:

Thank you, Mr. Chen. I come to all of this from the perspective of wanting to make it as easy as possible for the individual so that when they...

Ashley Laden:

Sorry, you're muted ma'am.

Representative Clover:

Thank you. I thought I hit both buttons.

Representative Clover:

So, I come at this from the perspective of the person who is having the problem with gambling. And I want to make sure that this is always the easiest possible process for them. And I appreciate that there's

a couple of different ways that they can engage in the program. And I'm concerned that sometimes that moment of being resolute about using this tool may not be persistent and so, I would definitely want them to engage in it when they can.

Representative Clover:

And so, while I understand the need for notarized documentation of proof of identity, I'm curious if you have some information for me or maybe somebody else on the line might, about, how difficult is it to get a document notarized? If I'm sitting here at my own home and I'm filling out the form, what would that involve for me? How much additional work and, or expense would that involve?

John Chen:

The process normally would be to go to a notary and notaries are usually... Each bank has notaries at the branches. Real estate agents have notaries so there's various locations they can go to have something notarized. And they do not have to have any business relationship with that institution. And the only thing that a notary is going to do is check the identification and verify that the person who is signing before them is the person that's referenced in the document.

Representative Clover:

And is there any costs involved with that?

John Chen:

I don't have a real answer for that at this point. If it is, it is minimal.

Representative Clover:

Okay. Thank you. I just appreciate eliminating as many barriers as possible. Thanks.

John Chen:

That's our goal also.

Ashley Laden:

John, Interim-Director Griffin, and then Commissioner Patterson have questions.

John Chen:

Okay.

Tina:

And just looking through some of our state research that we did, I just immediately opened to the first two states that I have in my packet here, and both Arizona and New Mexico also require notaries and notarized documentation and so I can continue going through the research and tell you how many states probably by the end of this conversation. But this is something that we found is common, and the purpose behind it is to make sure that the person that is registering is really the person seeking to be excluded.

Representative Clover:

Oh, and not to make this a discussion, but yes, I do understand that that is an important piece because we certainly wouldn't want... Perhaps you could understand the motivation of a family member to do this on behalf of and without the permission of someone who is struggling. And so clearly in order for it to be an appropriately used and effective tool, it has to come from the person with the problem and their own initiation.

Representative Clover:

So I don't necessarily doubt it. I just wanted to have some more information about what it actually would entail and how many additional steps or costs would be there. So if anybody has it, maybe I can look it up, what a typical cost for a notarized document is. I can do that research on my own.

Representative Clover:

Thank you though.

Chair Sizemore:

I did just want...

Tina:

I also see California. Just flip through another page and California has it too and I'll look it up real quick to see about the notary question in terms of the costs. Thank you.

John Chen:

Tina, I do have a list of when we did our analysis upfront. There were eight states that accepted mail-in applications, and they all required notary. And those were Arizona, California, Colorado, Iowa, Michigan, New Mexico, New York, and Oklahoma.

Chair Sizemore:

Thank you for that, John.

Chair Sizemore:

Did that answer your question then, Representative Clover?

Chair Sizemore:

Okay. I see her shaking her head.

Chair Sizemore:

Vice-chair Patterson and then Commissioner Levy.

Vice Chair Patterson:

Thanks Mr. Chair.

Vice Chair Patterson:

John, I have been made aware of the fact that there is at least one state that I know of that allows for an individual to self-exclude online. So they can go online and fill out a form and they have a way of, I

believe, checking their identity. And I don't remember what state it is, but I know that that's happening. And I understand that the reason why we don't have a bubble on this graph that allows for that is because we don't have a way of knowing exactly who that individual is. We want to make sure that the person who is seeking self-exclusion is actually the person.

Vice Chair Patterson:

But I'm wondering what it would take for this agency to get to the point where it could be easy enough for someone simply to go online and self-exclude in that way. What would it take for us to get there? Because in my mind, that would be the easiest thing for someone to do.

Vice Chair Patterson:

In line with a representative Clover's sentiments about making it easy, how is it that other states or that other state is able to do this and feel certain that it is the person, as opposed to a family member or somebody else?

John Chen:

Well, I don't have a direct answer as to how the other state can do that. What it would take from our standpoint would be to have a document online that the individual could complete. And then we would have to take that, enter it into the system.

John Chen:

The part that I cannot answer is the identification piece to ensure that it is the individual. I just don't have that information.

Vice Chair Patterson:

Perhaps there's a way that they are able to upload their identification. I don't know. Does any other staff have any clue as to how that might work?

Chair Sizemore:

Julia, I'm not seeing any other staff members raise a hand?

Vice Chair Patterson:

Well, I had the impression that they have a way with their system, with the technology that they have to upload identifying information. So does our system have the ability to do that?

Chair Sizemore:

And I see Tina.

Tina:

So Pennsylvania, apparently has some online component. I don't have information on the details of their online system. We certainly can look into it.

Tina:

I don't know what the costs are. I don't know how it will interact with our current databases. I don't have that information available at this time. It's certainly something that we could explore.

Tina:

Again, I don't know what the costs will be. We can certainly explore that.

Vice Chair Patterson:

So when you talk about costs, what you're talking about is updating our system to be able to create a program like that, is that correct?

Tina:

Well, it could be us developing a program or this could be software that they purchased that is a component of their existing software. Maybe this is a specialized program that they purchased. I can't answer the question in regards to their software and whether it was custom made or an add-on package. I can't answer that.

Vice Chair Patterson:

And our agency, we are going to be going through an IT modernization project sometime in the near future. Is that right, Tina?

Tina:

Yes.

Vice Chair Patterson:

Okay. So maybe through that process, in the future where we are upgrading our system, maybe that's something that we could look at, whether or not the new upgraded system would be able to accommodate people in this way.

Tina:

Yes.

Vice Chair Patterson:

That's all for now. Thanks, Mr. Chair.

Chair Sizemore:

Okay. Thank you. Commissioner Levy.

Commissioner Levy:

Hi. I just wanted to say, because I'm a notary in the state and the maximum fee that anyone can charge is \$10, unless they're a mobile notary and they travel to you, then they can charge for driving time.

Commissioner Levy:

Most of the time, I would say 95% of the time, if you bank with a bank, they generally provide that service for free, if it's your own bank.

Representative Clover:

Thank you so much.

Chair Sizemore:

Yeah. Thank you for that.

Chair Sizemore:

And I guess I'll add to this conversation, and maybe a question and a comment. So I'm curious, maybe of hearing a little bit of backstory, what other options the commission staff considered for confirming identification and, ultimately landed on notary as an option.

Chair Sizemore:

And then, is it possible for us to maybe modify this rule to seek that same level of affirmative IDing that a notary does?

Chair Sizemore:

Can we leave our language a little bit vague that would provide an option because perhaps, as a Vice-Chair Patterson is talking about, perhaps there are software or advancements in technology that over the next couple of years, would be able to provide the same level of assurance of the identification of the individual as a notary would. And if we were able to add that to our language, then we would be anticipating that technology and not have to go back and modify this rule down the road.

Chair Sizemore:

Can anyone help me out with that?

Tina:

So I think what I heard you say is, if someone mails in an application for self-enrollment, there would not be a requirement for them to have a notary verify that the person requesting enrollment was actually... So there would be no requirement for verification of the person submitting the application. So that's one piece of it.

Chair Sizemore:

That's not what I'm saying. I'm saying a notary... Either the notary stamp or something that the agencies deemed equally as affirmative of determining ID.

Tina:

So one of the main reasons we asked for a notary, for it to be notarized is so that they would not have to submit to us copies of government-issued ID in the mail. We don't want... That's more personal identifying information going through the mail, one. And two, then that's more information we have to retain.

Tina:

So if someone goes to a notary, they can verify the person's identity. See all that documentation and verification process occurs with that individual and that prevents information then coming to us and us having that information. So, that is the benefit of having a notary verify identity.

Tina:

So that was definitely something that we considered when we put that language in here.

Chair Sizemore:

Okay. Thank you, Tina.

Tina:

And then... I'm sorry, I guess I wasn't... I think I need you to repeat the question about language that you're looking for.

Chair Sizemore:

So on this, I was a little bit just curious of the backstory or if there was... To a degree, it feels like maybe... Or I'm pretty sure the staff probably had very similar questions as we as commissioners are having, and probably there's a reason you landed on notary, which I think you just described.

Chair Sizemore:

So for me, I think I'm satisfied with that. So I'll move on to Commissioner Reeves and then Representative Clover.

Commissioner Reeves:

Thank you, Mr. Chair. I guess I would just express similar concerns with this particular element of the rule.

Commissioner Reeves:

I think mail is... Well, I think it's something we're all very familiar with, and I'm obviously a big fan of the United States Postal Service. I think it creates limitations for folks who we are actually trying to include in this process. And I think there are such things nowadays as electronic notary. I think there's just a lot of other elements or opportunities to find ways to ensure that, as Representative Clover has pointed, there are minimal barriers to getting folks access to this opportunity.

Commissioner Reeves:

And so a similar question, I think as the Chair is, what would be the Commission's options where we too want to include language or alter language in the proposed rules before us today, prior to submission to ensure that the maximum amount of inclusions for this information were available?

Chair Sizemore:

And Tina, you're muted if you are trying to...

Tina:

I'm processing the questions.

Tina:

So language, what would be the commission's options to ensure maximum inclusion of information is available.

Commissioner Reaves:

So for example, Director, if I wanted to change the word mail or to say mail comma electronic submission, or if I wanted to ensure that there were multiple avenues by which, or a digital avenue at least, by which folks could submit the same information. Understanding and again, having been in the legislature when we did not want to collect PII at the government level for a variety of reasons, I get all of that. But because I do know that technology is advancing rapidly and particularly during the pandemic, we have seen electronic notary become an available resource.

Commissioner Reaves:

I guess my question is, how would we be able to include that? Let's say if I wanted to say, instead of just via mail, I wanted to say via mail, electronic, verified electronic, notary, etc.

Commissioner Reaves:

How would I go about doing that as a commissioner?

Tina:

So coming up with language might be the very, very easy thing, but I can't say with certainty that the agency will be able to comply with this language by implementation date.

Tina:

Quite honestly, we have very legacy systems and as Commissioner Patterson... Like, a legacy licensing database, for example, and I don't know how... We haven't explored this potential option.

Tina:

Our options for getting the list out is somewhat basic, but it seems like that is the best and most easiest thing for us to do given where we're at with our IT systems, and where we're at with our staffing levels, and just our overall capabilities at this point.

Tina:

So we could probably come up with language, but it would definitely extend our implementation dates. There would be no way we would be able to implement an electronic system, an electronic submission system by January. We would not be able to do that.

Tina:

I don't know what sort of costs would be involved. I have no idea how long it would take for us because that's not something that we've explored.

Tina:

We initially looked into it in terms of some software, but our databases just weren't going to be compatible. And so I'm struggling a bit.

Tina:

Yes, we could probably come up with language. Could we meet that language? I guess if you put a future date on it, maybe.

Commissioner Reaves:

Thank you, Director. Appreciate that context.

Chair Sizemore:

Thank you, Tina.

Chair Sizemore:

Representative Clover, and then Vice-Chair Patterson.

Representative Clover:

Thank you, Mr. Chair.

Representative Clover:

So I do fully appreciate the issues with the legacy systems and would support or would suggest, or whatever some kind of language that suggests that when the technological capability occurs, then a new exploration of how completely...

PART 1 OF 6 ENDS [00:31:04]

Representative Clover:

And a new exploration of how a completely online digital opportunity might be created, maybe that's something that just, as legislators, we need to keep in the back of our minds so that we can be aware of when that might be something that we want to try to direct the agency to come up with. I do understand the issues with One Washington and how that program is not going as smoothly and it's still a long way out before we fully have system integration and ability to do the kinds of things that I think Commissioner Reeves is envisioning, and I agree with her that those are good things to do. Along the lines of, again, trying to diminish any amount of barriers, there were two questions I had in terms of having the form available in multiple languages, because there are some repercussions of the program that people need to fully understand and they need to know what they're getting into.

Representative Clover:

I think that that is an important piece. Wondering about that, that's question number one about languages. And then, question number two is, would it be possible for, rather than an actual notary, say, for instance, the gambler or the person with the gambling issue is in the office of their treatment provider, someone who is a licensed professional, is it possible that the office could have the form available, the person can sign off, they can show the right ID, et cetera, and the licensed professional might be able to have the ability to witness and sign that, date it, put their credential number, whatever. I think the point of having a verified identity is really important and I think the point of not collecting any more information than is absolutely necessary from a PII perspective and a risk reduction for state exposure. I think it fits those two points while still giving the player an option so I'm wondering if that

would be something that might be considered having a licensed professional be a witness instead of a notary situation.

Inner Director Griffin:

I very much appreciate and like your idea about forms available in other languages. That is something that we commonly do. I don't believe that we've chatted about that or have gotten to that point because we're still in form. Actually, I don't even know that we've gotten to form development stage yet, so definitely thank you for that and we will continue to explore. We'll put that on the list of to-do items. The reason we chose and wrote the language in terms of licensees being able to do this or ourselves is because those are the only people that we have jurisdiction over. We could open it up to whoever you want it to be. Just know that if we get a phone call that says, "Hey, I just found out that I am self excluded and I didn't self exclude," and we pull up the documentation and that shows that somebody signed it on behalf of this person, we don't have any jurisdiction over treatment providers so we wouldn't be able to hold them accountable to anything that they did or didn't do.

Inner Director Griffin:

We wouldn't be verifying that information because we don't have any relationship with them, but we can certainly make that if that's something you want, just know that there's going to be limitations if there is a problem with that.

Representative Clover:

Okay. If it were notarized by a person and you find out that it's actually fraudulent, do you have jurisdiction over the notary for falsifying documents?

Inner Director Griffin:

You are absolutely correct. You're correct. Yes, you're you're right. We do not. You're right. I would think that we could contact, because they hold a license, but yes, we can make this available to treatment providers, doctors, whatever you would like to do.

Representative Clover:

The reason I suggested a licensed treatment provider of some sort is because there are somebody that the patient has access to. There are somebody who, I would like to think, would have integrity, particularly because an action like falsifying such documents would be, I would think, an egregious violation of their professional ethics and I think they would be a person who would be very much aware of the best practices for an exclusion type of a program and would fully understand that doing it in a way that is falsifying information would certainly not be beneficial as a part of the treatment program. That was why that category of licensed treatment professionals that are serving that person would be perhaps an appropriate group, so thanks.

Commissioner Sizemore:

All right. Thank you, Representative Clover. Not hoping to limit debate and discussion here, but this is slide one of five, so keep that in mind as we move forward. I have Vice-Chair Patterson and Senator Conway then, excuse me, Commissioner Reeves.

Vice Chair Patterson:

Thanks, Mr. Chair and thanks, representative. I really like your idea about the licensed treatment providers being able to do this. That makes perfect sense to me. It sounds like you've asked staff formally to look into that. I wanted to let you know that I did a little slow thing here online and I discovered that the technology for being able to submit your information online, your personal information, exists but in Pennsylvania where they use this, for example, they have online gambling and so the players have already verified. They have verified accounts in Pennsylvania. It's already right there. We don't have that here. However, I believe the tribes will have that information pretty soon with online sports gambling. That's one of the reasons I've discovered why it is that Pennsylvania was able to so easily move forward with allowing a form online to be submitted.

Vice Chair Patterson:

I wanted to say I'm really pleased about this discussion. I'm pleased to see that all of the commissioners are very much concerned about barriers, and I'm wondering if I could ask staff to add to the list now that you have a request from Representative Clover that you would explore online self-exclusion registration within a reasonable time after our IT modernization project is up and running or has begun. I don't want this to get lost. I'm just trying to figure out a way to formalize this request, because there'll be so much that comes up between now and then. Can staff reassure us that this requests wouldn't be lost and that when we get close to having a more modern IT process in place that we can look very seriously at this?

Commissioner Sizemore:

Tina can just wag her head if she wants. Tina is shaking her head in affirmative. Senator Conway? We have you muted still, Senator. There you go.

Senator Conway:

I had an earlier conversation with staff on those issue and I concur. I think that the task force on problem gambling can probably take up with the issue here of some registration through licensed professionals. One thing about this conversation, I haven't heard anything from the licensed professionals, whether they want to serve in this capacity. I would think they would, but I think it is important for us maybe through the problem gambling task force to address that issue. I just took a look at the Department of Licensing whether you can apply for a license online, and you cannot. This issue of online registration is pretty complicated and I'm wondering what other state agencies are doing around this issue. I think it would be wise for us to maybe broaden our look to see whether other state services are going to online licensing and use that to help guide us on the station. Thank you.

Commissioner Sizemore:

Thank you, Senator. I think, for this component, we have assurance from staff that they are going to be looking at online registration and look at the option of providing this program through licensed healthcare providers. I guess for commissioners consideration is that when we loop around to the end and we start considering moving this language forward, I think we need to provide any proposed language to staff so they can have a little time to vet it before we actually ended up taking action. Good discussion. I appreciate everyone's input. John, you're back on.

John Chen:

All right. Julie, can we go to the next slide please? Okay. This is the incident reporting and what this entails is, if someone on the self-exclusion list is gambling and, during the process, they're identified as being on the list, what happens? The licensee or operator basically catches an individual gambling. At

that point, the winnings are confiscated and the individual is escorted off the premises. The confiscated monies will be set to either the problem gambling account or a designated provider who is providing gambling assistance. The licensee reports the issue to the gambling commission. Just a second, there we go. The gambling commission then we'll look at it and see if there is possible administrative actions. Could you bring it down just a little bit more, Julie?

Commissioner Sizemore:

Can you see that, John? It looks like that she got down to the bottom of that flow chart.

John Chen:

Okay. Yeah, there we go. Okay. And then, based on the investigation if there's possible administrative actions.

Commissioner Sizemore:

John, those are against the licensee?

John Chen:

Yes, they are. That's why that's a good point to bring out, chairman, is that if there are any administrative actions taken against the licensee. We are not trying to criminalize this or have anything like that go against the individual. We're trying to help them, not penalize them.

Commissioner Sizemore:

All right. Thank you. I have Vice-Chair Patterson.

Vice Chair Patterson:

Thanks, Mr. Chair. My question is, the confiscated monies, you said the options would be that that money would be sent to the state's problem gambling account or designated providers. What is the word designated me? And the second part of that question is, who gets to make that decision where that money goes?

John Chen:

The term designated, I used an error. Per the legislation, the option was to go to the gambling account or to... I don't have the word in front of me. I believe it was Oregon's app. I need to look it up. Just a second.

Tina:

Chair, if I may?

John Chen:

Yes. Go ahead, Tina.

Tina:

The statute says monies are things of value forfeited under the self-exclusion program must be distributed to the problem gambling account created in RCW4105751, and/or a charitable or non-profit

organization that provides problem gambling services or increases awareness about problem gambling pursuant to the rules adopted by the commission.

Vice Chair Patterson:

Okay. Thank you. And so, is this public money? Would this money be defined as public money?

Inner Director Griffin:

I'm going to have to find a friend. Matt Kernutt is our Assistant Attorney General. Matt, can you answer that question? I'm not an attorney. I can't answer that question.

Matt Kernutt:

If I understand your question, Commissioner Patterson, once this money is forfeited, it would be designated as public funds and it would just be dependent upon where the money is subsequently distributed. The gambling commission does have authority under this particular statute to determine where and how distributed. That being said, if the commission is exploring standards for distribution, that is something that we would obviously need to look at and explore language with staff on the legality of those particular provisions. But I think bottom line is, once final forfeiture has occurred and any proceedings associated with forfeiture are complete, these would be deemed to be public monies.

Vice Chair Patterson:

Okay. Along the same lines, I'm just curious about, and again, who gets to make the decision as to where the monies would be sent?

John Chen:

It is my understanding that that would rest with the licensee.

Vice Chair Patterson:

Okay. So, the licensee would be choosing to send this public money to whomever they wish as long as that entity is appropriate based on the RCW?

John Chen:

Correct.

Vice Chair Patterson:

Okay. I'll just tip my hand and say I'm having some questions about accountability there, but I think maybe I'd like to hear more from you. Thank you, Mr. Chair.

Commissioner Sizemore:

Okay. Thank you, Vice-Chair. I think we will have probably a little public comment on that. Matt, welcome to the meeting, and since you are still up on camera, I guess I have a question. Do we, as a commission, have the authority to just allow the money to go to the state problem gambling fund with the language that the legislature chose?

Matt Kernutt:

That is a great question, Commissioner Sizemore, and I have not had an opportunity to explore that particular question. I would ask that if the commission is exploring the opportunity to limit those monies just to go to the problem gambling account, you do allow a little bit of time for myself and AG Becker Suzanne to look into that question and provide you with some good advice in relation to that. The statute does include language that includes and/or, and does appear at first blush to allow the distribution be controlled by and set through commission rules. But, I would ask for some time to be able to really think about that question and provide you with some detailed advice.

Commissioner Sizemore:

20 minutes?

Matt Kernutt:

Well, you'll get the advice that 20 minutes is worth.

Commissioner Sizemore:

All right. Thank you, sir. All right. John, that was a little quicker slide for you.

John Chen:

Okay. Now we get to the removal process. When the individual signed up, they chose an exclusion term, and so once that term is met, the system would automatically remove them from the active list so they would no longer be excluded. The system would be updated and they would be removed, so it would be an automated process from start to finish and a new report would be generated for the licensees.

Commissioner Sizemore:

Okay. Representative Clover. I see your hand.

Representative Clover:

Yes, thank you. While I appreciate the simplicity of this, I am wondering what, if any, consideration was given to the notion of reinstatement at the end of the term, because I know reading through some of the materials, best practices talk about having an opportunity to automatically renew. Say, for instance, I sign up for the one year self-exclusion. If I were to get automatically 30 days ahead of the expiration something that says, "Would you like to re up?" I can just check that box, sign off on it and return it with whatever you need to verify that it's me and it's not some family member or something wanting to re exclude me, but, that way, it's continues that ease of the continued use of the self-exclusion as a tool without a person having to go through the whole rigamarole again. I'm wondering if there's any thought in here about an automatic opportunity for reinstatement for another term.

John Chen:

When we did our initial analysis, we did go through that and discussed it. And we ended up on the point that, because we don't have the robust system that we would like because of the legacy systems and modernization coming up, that there are certain limitations that we have, and so we went with the idea that if the person wants to be reinstated, then they would just reapply. One of the issues we, we are looking at here is in getting feedback from licensees is that notifications going out to the individuals, this is a fairly fluid population and contact information as far as email addresses and phone numbers and

physical addresses change quite often, so they felt it could be a limiting process to where it would be more hit or miss. Those are some of the factors that came into the decision to do it this way.

Commissioner Sizemore:

John, I guess I have a follow-up to that then did the staff consider requiring an affirmative removal, and then maybe that stated that way so that, yes, you sign up, after a year, you could get off the list, but it requires an affirmative action by the individual that self excluded. Did staff consider that?

John Chen:

Yes, we did. We did look at that that it would have to take a positive step by the individual to be removed. One of the issues, again, came up of being able to contact the individuals and, also, in talking to some of the states that have had self-exclusion programs going on for quite some time, a major consideration that they had was being able to maintain a valid list. If a person hits the one year anniversary and decides, "No, I don't want to come off so I'm not going to respond," then the list never gets cleaned up and then it just creates issues from maintaining current data. With that input, with the current systems and environment that we have, we decided to go with an automated system and that's how we got here.

Commissioner Sizemore:

Okay. Thank you. Vice-Chair Patterson, then Commissioner Reeves.

Vice Chair Patterson:

I believe Reeves is in front of me, Mr. Chair.

Commissioner Sizemore:

Well, I have you up next.

Vice Chair Patterson:

He doesn't mind. I just off the top of my head, I have to say that this is difficult for me because Mr. Chair, I think your question is really a good question and it makes sense to me. I like the idea that someone would stay on the list unless they took action to take themselves off, and I think asking people who are vulnerable with an addiction to be on top of things in this way, to re up their self-exclusion their suffering from an addiction and they have to go through this process of being notarized again is, I just can see how that would be a barrier. I think your question is really a great one, and it's frustrating for me because it sounds like we're making policy based on what's most convenient to our agency. I have a great deal of sympathy for the fact that we're dealing with this legacy system, but I think I'd like to ask that staff explore how difficult it would be to require people to not have to request another extension. I'd like to understand really why that's so difficult.

Commissioner Sizemore:

But I think the inner director, Griffin, may be able to help us out here.

Inner Director Griffin:

Yes, we'd be happy to explore that and put a package together and information and bring that before you at the October meeting. With all these questions, it may be best to just hold this package, that's

certainly something you may want to consider is holding this package over and we can bring all of these questions and try to get your answers to your questions before filing these rules. But yes, we have information from other states and so we can go ahead and look into that.

Vice Chair Patterson:

Thank you, and thank you for your patience. You guys are doing a great job. I just think that we're so interested in making sure that this works. Thank you.

Commissioner Sizemore:

Okay. Thank you, Vice-Chair. Commissioner Reeves and then I have Ashley.

Commissioner Reaves:

Yeah, I saw Ashley's hand pop-ups as a response to Tina's comments so I'll let her go first.

Commissioner Sizemore:

Okay. Ashley?

Ashley:

Hi. I just want to clarify the timeline. If we hold this over until the October meeting, which I think is October 14th, we can then file the draft language, which will be published October 20th, and then we can have a hearing on or after November 9th, which... No, I'm sorry. We can file the draft language October 20th and then the publication date will be November 3rd. We can have a public hearing on or after November 23rd, which is after our November commission meeting. We don't have a commission meeting in December so then final action would be taken on these rules in January, making their effective date 31 days from that commission meeting date. I just wanted to make that knowing that these rules wouldn't likely be effective until February. An implementation date of January would be unlikely. I just wanted to bring that up.

Commissioner Sizemore:

Did the legislature require us to have this done by January one?

Ashley:

We're past, I think, the date of when rules were supposed to be adopted.

Commissioner Sizemore:

Okay, thank you. Commissioner Reeves.

Commissioner Reaves:

Thank you, Mr. Chair. I guess I, too, have concerns about an opt-in model rather than an opt out model. I think behavioral science tells us that having folks automatically stay on the list and have to opt out of the list in a proactive way, I think, potentially helps us get to where we would like to go long, and so echo Commissioner Patterson's request for us to look at a behavioral science-based data system and process that helps us understand what an opt-in versus an opt-out model would look like for this particular activity.

Commissioner Sizemore:

Okay. Thank you. John, I think we're back to you.

John Chen:

Okay, Great. Julie, you can go to the next slide. Okay. These are steps that licensees would need to take prior to implementation. They would have to designate self-exclusion contact person so we have a single point of contact with them, establish their internal procedures and a system review, train the appropriate staff, and also notify the individuals that are on the operator level, a self-exclusion list of the state system and include a copy of the form and information on how to get included in the statewide system.

PART 2 OF 6 ENDS [01:02:04]

John Chen:

... how to get included in the statewide system. So those would be pre-implementation tasks.

Chair Sizemore:

Okay, great. Thank you, John. Commissioner Reeves.

Commissioner Reeves:

Thank you. So this is a two-part question. One, you list in the language in the proposed WAC 2.30.03.200, the request for self-exclusion, the language currently use is at our office or at a house bank card room licensee. So I just want to be really clear that that does not exclude tribal-gaming operated facilities. But my understanding is that as a licensee, that would be negotiated and compact not through this form process. Is that correct?

John Chen:

That is correct, it would either be compact or agreement.

Commissioner Reeves:

Perfect. And then secondly, I would love to understand, because you're offering this at a licensee, can you just walk me through currently the option for in-office or to house bank card room licensee by submitting the completed form on our website. So if I understand this correctly and I'll get to the implementation task here in a minute, because it'll be relevant is we list a variety of things under that PII element, the proof of identity, the driver's license, covered-issued identity card, passport, etc, right? So I guess maybe I'm confused if I can do this in a licensee facility, I don't know that the licensee is a notary?

Commissioner Reeves:

So what I'm hearing folks say is I can walk into a licensee in this particular instance, house card bank room, you know what I'm trying to say? I can ask for the form and I can present this PII, right? So at some point, the licensee is going to be interfacing with my PII, potentially taking a copy of this form or a copy of the PII information. Is that how you envision this? Or is this all visual verification? The licensee can sign the form as the notary and then the individual is expected to submit this form separate from the licensee? Can you walk me through that instead [inaudible 01:04:39]. And then I have a followup question, Mr. Chair.

Chair Sizemore:

Okay.

John Chen:

Okay. The licensee basically replaces the notary or their employee and they sign that they've accepted it, dated it, and provided the licensee's license number. So we have a trail to go back. The form is retained by the licensee and is forwarded to us. They do not retain a copy of it, they take the form from the individual and forward it to the Gambling Commission.

Commissioner Reaves:

Great. And I recognize that when we say licensee, we can mean the bricks and mortar licensee, we can also mean the individual licensee. So my next question becomes, we have thousands of licensees, I think it is, working in these facilities. Can you walk me through, or maybe it's under that second bubble that folks will be establishing, how licensees will be educated on interfacing around PII? And the reason I ask that question is because I think the more people that we put into this stream of collecting PII to act in the purpose of a notary or a to replace a notary, the more potential we have for things that maybe aren't as positive as we would like to have happened? And so I just love to understand where in which of these bubbles that conversation is going to happen? And then how we plan on regulating the protection of that PII both in physical format and then in cyber format?

John Chen:

Okay. One of the tasks is that they come up with their internal procedures and address these concerns in those procedures and conduct training of staff. And then these will be part of their internal controls that through our regulation department division we will be monitoring and verifying.

Commissioner Reaves:

Perfect. Thanks, John. That's what I wanted. Okay.

John Chen:

Thank you.

Chair Sizemore:

[inaudible 01:06:57] to add on that or separate? And you're muted.

Inner Director Griffin:

I was just going to also say house bank card rooms, actually licensee is defined in 230-23-005 is the house bank card room licensee. But house bank card room because of they're considered... Well, it just gets into the whole federal requirements for anti-money laundering, Bank Secrecy Act. They have to know their customer. If they have player accounts, they've already shown their personal identifying information to get their player account card. And so it is something that the house bank card room should be having within their internal controls of protecting that information both on a federal level and then the statute. And these rules do require that the licensees maintain the security of that information.

Chair Sizemore:

Okay. Thank you, Tina. Julie Lewis, our tribal liaison.

Julie Lewis:

Thank you, Mr. Chairman. I just wanted to clarify that a compact requirement would not be required or compact amendment would not be required for a tribe to opt into self-exclusion, we just need to have an agreement that they would opt in.

Chair Sizemore:

All right. Thanks for that clarification. All right. John.

John Chen:

Are we ready for the finale? Julie? We will do the next slide. Okay. This is the process the licensee will go through to get an updated list. Initially, we are going to produce a new list every time there is an update to the database. So initially this could be a daily report, eventually it will go to an intermittent report based on people being added to the list. So the licensees will get an email from the Gambling Commission that a new report is available. And they will go in through their secure access Washington account and pull the report. At that point, they can either use the report in a paper format or they can use it in electronic format. And, of course, they will then follow their internal procedures for distribution and secure this information.

John Chen:

In addition to just the total information, there will be a section on the report for additions, these will be people that were not on the last report. And at that point they will need to check any of their player club accounts. And if they find a match, then they need to close the accounts, take the individual off a mailing list, remove them from any promotional programs and zero out the balance in the player club account. So this is where the statewide piece comes into play because when an individual goes in to a one location they can close out their account, but then in other locations, those accounts will just be zeroed out.

Chair Sizemore:

All right. Please, Vice-Chair Patterson is next.

Patterson:

Just quickly, I'm just curious what would happen, John, to a licensee who didn't follow the process? Who ignored the process? What are the ramifications for that licensee?

John Chen:

Well, we're working now to develop the internal controls and the accountability there. So that's where it would come into administrative action. And so if it's willful neglect, obviously, there's could be some severe penalties, if it's a repeated pattern it could be a heavier penalties. So that's the review process that our agents would go through whenever there's an incident reported.

Chair Sizemore:

Okay. Thank you, John. Senator Holy.

Senator Holy:

Well, thank you, Mr. Chair. As you mentioned earlier, you didn't want to limit debate, we needed to get through all five slides. So I'll wait until the end. I've got a slightly different thread to talk about here. Representative Kloba comments and questions referenced a reducing access to difficulty and enhancing availability of this program made me stop and think about some of the passages and the proposed amendments in the WAC that are included with the package here. One of the ones that this struck me it has to do with the original purpose to 2.30.23.001. And it's conformed all the way through so that the definitions are consistent is the fact that we're allowing a person with a gambling problem or a gambling disorder and we're striking gambling problem.

Senator Holy:

And gambling disorder is defined in the DSM, Diagnostic and Statistical Manual of Mental Disorders out there and has a defined criteria on this. And I'm guessing most people self-referring are not coming fresh off a meeting with a mental health professional. And I'm wondering if this has a limiting aspect? If this definition is necessary for another purpose? And what am I missing here? Are we accomplished what we want to accomplish?

John Chen:

No, the statement was not meant to be limiting, I mean, it could be self-diagnosed. And a person could feel that they have a gambling problem so they want to self [inaudible 01:13:11].

Senator Holy:

Mr. Chair, follow up.

Chair Sizemore:

Go ahead, follow up.

Senator Holy:

Just by your conversation, your statement just now has a gambling problem and wants to follow up. A gambling disorder is a defined in our criteria friction in the DSM. Why do we remove that language? It seems like we'd be expanding access not reducing it, is there a purpose?

Chair Sizemore:

And I do see that Ashley has raised her hands, so she may be answer for you, John.

Ashley:

That change was made based on some feedback we got from the clinical and research community. And so I can follow up with then Senator Holy and see further investigate that.

John Chen:

Perfect. Thank you.

Chair Sizemore:

And we may have some public comment from [inaudible 01:14:12] as well. All right. John, do you have a wrap up then or did we get there?

John Chen:

I think we got there. I just wanted to go through the flow. Ashley sort of laid out everything at the beginning. And I think I'm done as far as presenting.

Chair Sizemore:

Okay. So any further questions for Ashley or John? Okay. Not seeing any. And there's been a lot on this. So, Tina, I was going to ask and see if you have any additional comments for us before we open it up for public comment?

Inner Director Griffin:

I was just flipping through the material. I believe it was Kaleel Philander that suggested changing to gambling disorder? So, yes, we'll reach out to him. I believe the information is in your packet in regards to the changes and why we made that based on his feedback. No, at this point, I would just ask if we could go through the list of things to explore and bring back to you next month? Then it sounds like we'll be going through the package as a whole and saving this package with all rule changes for discussion and possible filing at the October meeting. And so I can hold off until the end to go through the list then to make sure that it's complete.

Chair Sizemore:

Okay. And I think once we do public comment, there may be additional things that come forward, a little more clarity. So thank you for that. Okay. So with that, we're about an hour and 15 minutes in, I think we should take a little 10-minute break and then resume. Or let's go 8-minute break and then return at 10:25. We'll do public comment, wrap this up. All right. So with that, we are on break until 10:25. Thank you. (silence).

Chair Sizemore:

All right, I see that it is 10:25. So we will return. And I'll ask our interim director to go ahead and call roll real quick, or I guess in lieu of that, if commissioners want to go on camera real quick, I can confirm we have folks. Okay. I believe we have everyone. And Representative Kloba is the only person I don't see. But we have a quorum of commissioners, I think we can continue. So with that, we will go ahead and open up the public comment period. And I will remind folks that in the virtual format here, please keep yourself muted until you've been called upon. And when you do, I'd like you to go on camera if possible, as well as unmute yourself. Once you're recognized, if you could identify yourself and any organization that you're representing. So with that, public comment is open. I see that I have Roxane raising her hands. So go ahead, Roxane. You're muted. I'm sorry.

Roxane Waldron:

Thank you. Sorry. Thanks, Chair Sizemore and commissioners for the chance to give public comment today. I'm Roxane Waldron. I am the program manager for the State Problem Gambling Program. And as you know, from your packets, I have submitted several letters on areas of concerns that I have. Before I get started on those, I just want to say that I do agree with Senator Holy about keeping problem gambling in the definition along with gambling disorder. The reason for that is that we know that people

tend to underestimate the difficulty that they are having with gambling. And if they get to the point where they think they might have a problem having to come in under gambling disorder, they may see that and say, "Oh, that's too severe, that's not me, that's not appropriate for me." So I actually disagree respectfully with Holy I do think that it should be included. So that's my comment about that. And I appreciate Senator Holy that you raised that.

Roxane Waldron:

So, first of all, my first main area of concern, which I've talked about before is that I believe the forfeited money should be coming to the State Problem Gambling Program, and that would be from the commercial card rooms only, not the tribal. I understand that tribes are sovereign nations and have the right to decide where their funding will go. I did make a recommendation for changing to the wording. I'm not going to read that out here unless requested but it is in my letter. And the reasons for why I think this change should be made is that the State Problem Gambling already has contract monitoring and financial auditing as part of the established oversight for both revenue and expenditures.

Roxane Waldron:

And so this way, the public can have confidence that the people's money is being used appropriately, and that there is a paper trail in case of concern. And then leaving it open for commercial vendors to decide where they're sending the funding, it means that the State Problem Gambling Program will be essentially vying for this additional funding as a state agency with other non-state organizations. And in my role as a State Problem Gambling Program manager and the only staff person in the program, it's not appropriate for me to reach out and lobby commercial vendors for a forfeited funds. So that sort of leaves me at a disadvantage in that regard.

Roxane Waldron:

Additionally, due to WAC 2.30.15-710, which covers how progressive jackpot games will be removed from play, licensees have several options for dispersal of any remaining jackpot prizes including donating the money to a nonprofit gambling organization in Washington State. And I know that as a result, the Gambling Commission has fairly recently distributed funds to the Evergreen Council on problem gambling. However, the State Problem Gambling Program it's not a possible recipient on that list. So it's received none of the forfeited progressive jackpot game prizes, leaving the state program in a disadvantaged position on that. So having the State Problem Gambling Program as the recipient or the self-exclusion forfeited funds would help to equal that up.

Roxane Waldron:

So the State Program is also projected in this current biennium that we've just entered to have a funding gap for treatment of about \$150,000. So I'm already submitting a request to have supplemental appropriation to help cover that. But this just illustrates that our need is growing, and we need to have more funds available in an ongoing way for treatment. So as a law barrier program, the State Problem Gambling Program seeks to provide services to all eligible residents of Washington State. So we need to have that funding available. So that's probably the biggest issue for the State Program.

Roxane Waldron:

I'm also concerned about the online registration not being available. We did talk about that quite a bit. So I support a Representative Kloba and others who have asked for additional research into that. We know that people have been gambling more online at home because of the pandemic. Research shows

that internationally to be true, even though online gambling, isn't legal in Washington State, we know that it's happening. So I also think that people need to have the ability to band themselves from the comfort of their homes without having to seek out a notary in-person.

Roxane Waldron:

We do have things in society and like DocuSign and other kinds of verification programs, so I fully support having that as a goal. I don't think it should hold off on starting the program, but I do think it should be a goal. So finally, in the draft rules, there don't appear to be any specific consequences for the Washington State commercial vendors if they don't adhere to the licensee responsibilities per the new rules. So I would recommend that the Gambling Commission at least consider language about how non-tribal venues will be held responsible such as a fine or additional consequences. I think just saying administrative action will be taken it doesn't feel like it has any teeth in it.

Roxane Waldron:

And I think when we think about what will motivate licensees to do a good job? Some will do it because they want to do a good job and others will need a motivation that has to do with the stake, unfortunately. So I just want to advocate for that. So I've run through a lot of things in a really short period of time. So thank you for the opportunity to present. And I'm available for any questions as well.

Chair Sizemore:

Okay. Thank you, Roxane. Any questions? Okay. Not seeing any. All right. Is there anyone else that would like to make public comment on this rule package proposal? Okay. I am not seeing any other public comment for today. So with that, I think we'll go ahead and close public comment. And then now, Tina, if you can pop back on camera for me? And maybe if you can run over your list of things that you've heard today? And I don't know if I clarified when Matt suggested that if it was in the interest of the commission to evaluate just doing the four-footed funds into the State Gambling Program only? So we're going to need, I suppose, staff as well as legal analysis on that. But that is important to me. So would be my preference, I guess I should say.

Inner Director Griffin:

Okay. So these are the things that I have to bring back...

PART 3 OF 6 ENDS [01:33:04]

Tina:

Is that I have to bring back before you in October, it's not all in one spot so, let me read through my notes real quick.

Chair Sizemore:

Okay. No problem.

Tina:

I'm not sure if the request is to remove the notary or to add an option after the notary. So I guess that's a point of clarification. Do you want notary removed or just add that we would also accept licensed treatment professionals to verify the identity and sign off on the form.

Chair Sizemore:

I see your hand Representative Kloba.

Representative Kloba:

Yes. Thank you, Mr. Chair, for letting me clarify. I do very much appreciate the notion that we need to make sure that it is verified identity of a person and not some sort of fraudulent. So notary is great, but having the additional opportunity for a licensed treatment professional, I'm imagining it would be somebody involved in their care, but it wouldn't necessarily have to be, I guess, but they could be, could have the opportunity to sign on as a witness that this document is signed by the person who it's supposed to. It's additional.

Chair Sizemore:

Maybe ask a question here. So again, those licensed behavioral health professionals aren't under our jurisdiction. So anything that they do I assume would be voluntary. So, do our rules need to express that it will be made available for healthcare providers, or does it need to be in our rule in order for it to be so?

Matt Kernutt:

Chair Sizemore, if I may interject chair in relation to this? I do think that this is something that staff's going to need to explore, understanding Senator Conway's good point, that we would need to engage with the licensed community as well in relation to that. So I do think I don't have a clean answer for you, but that is something that I think in direction to staff and your lawyers, that we can work together to provide some options for language, for the commission to consider at their next meeting, that would work not just for the gambling commission and the goals of this particular program, but also for the licensed behavioral health professionals that we would be interacting with.

Chair Sizemore:

Okay. Great. So Tina, what I'm hearing, I guess is that this is in addition to the notary provision of the mailed in form. I'm not seeing anyone shake their head, no. So-

Tina:

Okay. So thank you for that. And then limit the distribution of confiscated funds to the problem gambling account only.

Chair Sizemore:

Or commercial.

Tina:

Just for the commercial operators. Okay.

Vice Chair Patterson:

I want to make sure what was that clarification that was just made? You mean as opposed to the tribes, Mr. Chair, right?

Chair Sizemore:

Right.

Vice Chair Patterson:

Of course. Thank you.

Tina:

And then, so once you signed onto this Delphix, once you explore language and changes, so that once you signed up for self-exclusion for a term, basically, regardless of whatever term period you chose to be excluded for, you would basically stay on that list until you took affirmative action to come off of that list. And we would need to explore then what that affirmative action would also look like, is that correct?

Chair Sizemore:

It is for me, anyone comment? Commissioner Patterson and then Representative Kloba.

Vice Chair Patterson:

Oh no, just yes. The option of opting in versus opting out.

Tina:

Oh yes.

Chair Sizemore:

Okay, Representative Kloba.

Representative Kloba:

Thank you. So the reinstatement idea that I had was, to 30 days before the expiration of whatever term they chose, that they would get some information about here's, how to re-up and making that as easy as possible. And so it's a permutation, I think, of the notion that was stated earlier, but I think all of us are kind of on the goal of continuing the use of this tool by the easiest means available to the person with the gambling issue.

Tina:

Okay. So, and then, okay.

Chair Sizemore:

Tina, I have Commissioner Reeves and then, well, Matt, if you've got something to add to that, and then Commissioner Reeves.

Matt Kernutt:

I do. And I appreciate Representative Kloba's explanation for the option that she was discussing. I do believe Commissioner Reeves, and I hope I don't steal your thunder here, Commissioner Reeves, was also looking at potential exploration of an affirmative opt out. So I think based on Representative Kloba's conversation and what I've heard from Commissioner Reeves, my office can work with staff to present

both options as potential language and discuss pros and cons of both ways forward at the next meeting. So you'll have a variety of different language that you could potentially consider for filing your 102. So that's what I'm hearing. So Commissioner Reeves, if I did steal your thunder, I apologize relation to that, but I do think that that is something that we can provide working with staff is alternate language for the commission to explore before filing its 102 at the next meeting.

Chair Sizemore:

Okay. So, Commissioner Reeves.

Commissioner Reeves:

Matt, you are always welcome to steal any thunder I may have. And I echo Representative Kloba. My thought was, and not to get in the way of staff at all cause they'll figure this out, but it was like, hey look, instead of sending me a letter that says I'm coming off the list, just in general, send me a letter that says 30 days before I'm eligible to come off the list in 30 days, unless I respond to this letter, I'm staying on the list, right? So that's the opt-in versus opt-out that I kind of envisioned my mind is that instead of them automatically being taken off the list, it's just, hey, sign this form and send it back to me. If you want to get off the list, if you don't, we'll just keep you on the list. And then what would have to be determined. I think this is where staff comes in is what happens if six months from then they decide they want to stay on the list, right? So you just have to decide check the box. I want another year, check the box. I want another five years or whatever.

Commissioner Reeves:

I think it, we can figure that out, but that was kind of the concept. And I think Matt nailed it. It was just, how do we keep them on the list with the minimum amount of work on their part, if they want... Make the assumption that they want to stay on the list? Not that they want to get off the list.

Chair Sizemore:

Okay. Thank you. Tina, you're muted again, if you have more to add?

Tina:

No, I was seeing it as two different processes to propose and I think that's what I heard Matt say. I appreciate the clarification and I'm just writing a lot of stuff down. And so those were the three big things to bring back and then I have this other, oh, okay.

Chair Sizemore:

Go ahead. Vice Chair Patterson and then Commissioner Reeves.

Vice Chair Patterson:

Oh, I heard Tina say, and then I have this other, and then she was interrupted. So I want to wait. Thank you.

Chair Sizemore:

Commissioner Reeves.

Commissioner Reeves:

Sorry for interrupting, Chair Sizemore. I guess I wanted to make sure. And I thought I heard this, but I didn't want to interrupt earlier. In the option, the language option around male versus not male, I don't necessarily want it to be male versus not male in the third option. I want it to be a fourth option of electronic submission just in general, right? Because I think there'll be a whole list of ways in which electronic submission can happen. And I think there's, so like in the first section you have at the licensee, then you have at the gambling commission and then you have by mail, I would love for a fourth option to be electronically, whatever that is, and to Chair Sizemore's point earlier in the conversation, even if it has to have a not to be implemented until 2022 timeframe or whatever you guys need. But I would love to see language included in the WAC that says that fourth option is electronically and it could be to be determined. However, you guys need to frame that, but I want it to be very clear in the WAC that there's a fourth option for electronic submission, even if it's aspirational.

Chair Sizemore:

Yeah. So, and I guess I envisioned that as when viable and I don't know whether people like that in rule language, but I guess that's how I envisioned it is when viable. Vice-Chair Patterson.

Vice Chair Patterson:

I think that when viable is a little big for me, and I'm wondering if it makes sense to ask staff to begin to explore seriously, explore that online option within six months after the commission has completed its IT modernization process. I feel more comfortable with a reasonable timeline there.

Chair Sizemore:

Thank you.

Tina:

Oh, okay. Chair, are you wanting me to continue on with that? You have other comments?

Chair Sizemore:

Yeah, I guess. Vice-Chair Patterson. Nope. I'm trying to [crosstalk 01:44:44].

Vice Chair Patterson:

I apologize. It's awkward online. I didn't know if Tina was done or not. So go ahead Tina. I had another one to add, but you probably do too.

Tina:

So that was good for clarification because I had that on the other list of during implementation, these aren't rules things, but these are on the other list during implementation, which would so that one moved from that list over to the rules list. And then, so thank you. So the only other thing I have on the other list is make the form available multiple languages. So if I did, so that's all I have on my list. So if I have missed anything yes. If you could let me know, thank you.

Chair Sizemore:

Okay, Vice-Chair Patterson.

Vice Chair Patterson:

I have a suggestion for my fellow Commissioners that we ask staff to bring us some ideas on how to memorialize and motivate licensees to do the right thing in order to be able to hold them accountable. We don't have a fine or anything that. I would like staff to bring us ideas on how we can put some, a little bit of teeth into holding licensees accountable for doing these things. Because if they blow it off, it's not going to work. And I want to make it very clear. I don't think that they will blow it off or most of them won't blow it off. But I think if there's some motivation there, they definitely won't.

Chair Sizemore:

Okay. So Tina, do you have a response to that or would you like us, as Commissioners, to have a little more discussion on that? Because I hate to say it, but I disagree, but will. Kristine is your hand raised for this, to have a discussion on this?

Commissioner Reaves:

It is not. It's adding something.

Chair Sizemore:

Let's talk about this a little bit and then we'll move on to you, sorry. So go ahead. Well, I guess I'll state my point. I think that administrative charges or administrative action provides our staff the full gamut, the full length and breadth of, of our authority based on the level of misdeed by the licensee. So, I guess the way, and I could be incorrect, the way I view it is that with the kind of current language or current approach, the commission or the agency has the full gamut of options to motivate or use as a hammer if necessary. So, is that accurate Tina or?

Tina:

That's what I was going to say. We have a variety of tools available to us through for enforcement actions, verbal warning, written warning, and it doesn't have to be progressive. We can attach fines that can go all the way up. I think to two or \$5,000, then you get to a certain point when we do seek under WAC or RCW, it gives us the opportunity to seek administrative charges. And that would include failure to comply with our rules, right? In 230-03-085, those are grounds and, and RCW 9.46.075. Those are grounds for denial, revocation or suspension. So obviously as licensees, they certainly could be had their license suspended or revoked for failing to follow these rules. We have not historically put, set by rule penalties in rule, but it's certainly something you could do.

Vice Chair Patterson:

Imagination is running wild right now.

Chair Sizemore:

So do you want them to contemplate a fine then or are you okay with the approach that staff?

Vice Chair Patterson:

Well, I guess I was responding to Roxanne Waldron's comment and perhaps the teeth were there. It would be nice if I can understand why she didn't think the teeth were there, but based on what I've heard, it sounds like we're okay. Oh, there she is.

Chair Sizemore:

Well, and if you guys want to take that offline, I think that we can do that offline.

Vice Chair Patterson:

It would be helpful to me as a Commissioner, if she could just be given a moment to explain why she doesn't think that our current process has teeth.

Chair Sizemore:

All right. I will. Roxanne is up on the screen. Go ahead, Roxanne. And maybe you do think it has teeth now.

Roxanne Waldron:

Ooh. Now I'm put on the spot. It's helpful for me to understand what those administrative actions are. I'm assuming that that would be included with the licensee training. So I'm fine with that. It's just in the absence of knowing what that means. It doesn't seem in that language to me as a non operator, it doesn't seem like it's particularly scary, I guess, but it sounds like there are other ways that that information is communicated. And I do trust the commission to do a great job of enforcement on that. So, I respectfully withdraw that concern.

Chair Sizemore:

Thank you.

Vice Chair Patterson:

Thank you, Mr. Chair. I appreciate your patience.

Chair Sizemore:

Oh, no problem. All right. Commissioner Reeves. Did you have additional things to talk about?

Commissioner Reeves:

I just have a question, Mr. Chairman, and please feel free to direct to staff or others. I cannot readily find it in my notes, but I'm curious to understand whether or not the commission will be getting an annual report of this program. I believe I remember reading that it goes to the Problem Gambling Task Force, but I don't remember it coming to the commission. Can somebody just remind me if we'll be getting an annual update on the progress of this program?

Chair Sizemore:

John, I don't know if you're still on. I assume you're still on, but is that something that you can help us with?

John Chen:

I'm still here. I have not addressed that but I don't think it would be an issue. Just something that I didn't have that in the rules.

Commissioner Reeves:

No, that's okay. So, Mr. Chairman, what I would like to do is make sure that that is reflected in the rules proposal. That's brought back to us next month is to make sure that there is some sort of annual mechanism, whether it be through reports or however staff deems that appropriate for the commission to highlight for us the efficacy and execution of this program, as it relates to both licensees and participants.

Chair Sizemore:

So, you think annually one year and use the anniversary of implementation.

Commissioner Reaves:

That seems like a reasonable amount of time. I don't want to overburden staff with, I don't think we need a monthly report. I'm obviously happy to be argued with, but I think an annual report of just the efficacy of this program in its execution based on licensees and participants would be helpful. Okay.

Chair Sizemore:

I don't have a problem with that. Not seeing anybody else have a problem with that Commissioner Patterson.

Vice Chair Patterson:

Question for Commissioner Reeves. Commissioner Reeves, do you envision that it would just simply be a copy of the report or are you envisioning that we would actually have presentation yearly on how things are going? I ask that question because there's so many times when we receive reports and they're just put on the shelf, I wonder in your mind, are you thinking that there would be a touchstone on a yearly basis for the entire commission to be able to ask questions?

Commissioner Reaves:

That is a really great reminder for me, Commissioner Patterson, that in the legislature, when we ask for a report, there's always kind of a hearing that comes with it, recognizing in this new role, that is not something I'm actually aware of. So yeah, I guess I think my general assumption is an annual report would include an agenda item on one of our commission meetings for folks to come and present the report to the commission. Talk about the efficacy of the program, lessons learned, what are trends that we're seeing, if we onboard new tribal relationships, et cetera. I think it would just be a good time for us to know what we've done over the last year. And if there's things that we should be thinking about as a commission moving forward, both for the commission. But I think hopefully out of that comes also if there's legislative action that the agency would need to take to supplant the work that's happening. I just think there needs to be a time dedicated on our calendar to think about that. So thank you for reminding me that that doesn't naturally happen at the commission.

Chair Sizemore:

Okay. Any further comments or additional items for staff to look at? So I have one I'm just going to throw it out there real quick. And if I'm the only one, then I'm fine with things going forward as they are. But the exclusion time periods of one, five and 10, I don't know why, it felt like one, three and five would be my preference. But if folks are liking the one, five and 10, or if staff can kind of discuss what their thought processes were in coming up with a one, five and 10, I'd love to hear that I can address that.

John Chen:

I can address that. At the beginning of the project, we went out and did a survey of the 22 states that had self-exclusion along with what the operator level ones are doing in the state. And also got some information from the tribes. And from the other states, again, we had 22 states, 13 had a one-year, the next highest was five years. And then there was a 10 years or life and we opted to go with the 10 years versus life. Again, it'd be a little bit more proactive. So that's the analysis that we did to come up with a three-tiered system.

Chair Sizemore:

Okay. Senator Conway.

Senator Conway:

But I just want to concur on what you're looking at. I'm not sure, sounds like the one, five and 10 was just a compromise. So why is different states are doing this? I think the behavioral health specialists should help us on this issue.

Senator Conway:

I really do. I think just basing this on what other states are doing. I would prefer us to see the behavioral health people give us a recommendation because, I'm not an authority here on this issue, but those who have experience, I think we should be looking to them for guidance on that issue.

Chair Sizemore:

Okay. So can we, and I'll just look at the other Commissioners and see if you're all right with, can we maybe provide a one, three and five option along with the one, five and 10, and then we can hash that out at the October meeting and see if there's any more input that comes along. And I think that with consideration of the requirement for an affirmative action by the individual to get off the list, I feel like a 1, 3, 5, may be a little better option because they don't automatically drop off the list at the end of the period, they choose. Commissioner Patterson.

Vice Chair Patterson:

So I heard two things, Mr. Chair, I heard you say that you wanted to add the three and then I heard Senator Conway say that he would prefer for the behavioral health community to weigh in, to give us a recommendation on what the best options would be. Are you suggesting that we do both or that we just, at this point in time, add three. I don't know where we are with regard to those two perspectives.

Chair Sizemore:

Well, I presume that staff would reach out over this next month to the behavioral health folks, as suggested and see if they can get us any more input. And then we, as a commission would have the option to either grab the language that says one, three and five or one, five, and 10. Based on what the behavioral health folks come back to us.

Vice Chair Patterson:

Okay. Thanks for that. And of course, behavioral health might come back with other time periods. They might come back with lifetime. I don't know what they'll come back with, but it'll be interesting to see. Thank you.

Chair Sizemore:

Tina.

Tina:

So, many times throughout the last, however long John has been doing this a year or so, two years. We have reached out to the Problem Gambling Task Force, because it's my understanding there's behavioral health specialists that are on this task force. So that's the community that we've been focusing on in terms of behavioral health specialists. So if there are others that we should reach out to in this field, I really need some help in identifying those people. So, in the course of reaching out through the Problem Gambling Task Force behavioral specialist, we only had one person who talked about the terms of enrollment, the time period of enrollment. And they suggested six months, one year and five years, if there was a renewal option. So rather than the one, five and 10, so we have reached out. And so this is what we have gotten back from the behavioral health community, and the Problem Gambling Task Force, nobody else made any comments about the term period. So if there is another group of specialists, if you could just identify those or help me identify those, that's something that we'll need assistance on. Thank you.

Chair Sizemore:

All right. Is there anything else that folks would like to add to Tina's list? Okay. Seeing no one with their hand raised, we'll go ahead and close out the discussion. On tab two, I want to thank Ashlie and John for your professionalism and presentation. And we'll see that back at the October meeting. And perhaps I suppose we'll see things during the interim as well. So that moves us to the next item on our agenda, which is tab three, rule petition up for discussion of possible filing on electronic raffles. And this will be Ashlie Laydon again, our Rules Coordinator and Sonya Dolson, Special Agent Supervisor. So Ashlie, I assume you'll start us off again.

Ashley Laden:

Hello, Chair Sizemore, Commissioners, and Ex Officios. For the record, I'm Ashlie Laydon, the Rules Coordinator with the Washington State Gambling Commission. At the March 2020 meeting, Commissioners accepted a petition and chose to initiate rulemaking to allow sports teams, charitable foundations to operate electronic raffles at sporting events. Before you today is draft language, which defines electronic raffles and other necessary terms, outlines requirements for operating electronic raffles, including raffle tickets, authorized sellers, methods of payment, ticket pricing, sales and restrictions, raffle drawing, price, payments, or payouts and limits, defines and outline's equipment standards including electronic raffle system operating requirements and security requirements, and also outlines record keeping requirements. Prior to drafting this language staff met with each of the petitioners they're affiliated non-profit organizations and potentially interested electronic raffle manufacturers discuss how they envisioned running an electronic raffle in Washington State. These meetings took place between December 2020 and February 2021.

Ashley Laden:

And each meeting staff highlighted that electronic raffles would need to function like a raffle as defined in RCW 9.46.0277. Meaning the raffle would need to include a manual draw with paper tickets. Staff also highlighted the RCW 9.46.240 prohibits the transmission of gambling information over the internet. And therefore a closed network with an onsite server would need to be used. Staff had interested manufacturers submit their equipment for review as part of the rule-making process under WAC 230-

17-192. Due to COVID-19 restrictions, some manufacturers were unable to submit equipment for reviews so demonstrations were provided to staff via Zoom and other platforms.

PART 4 OF 6 ENDS [02:04:04]

Ashley Laden:

... to staff via Zoom and other platforms. On March 30th, 2021, a stakeholder meeting was convened to discuss progress on draft rule language based on the equipment review and to review the estimated timeline for the rulemaking process, licensure, equipment approval, and expectations for an implementation date. On May 28th, 2021, staff received a joint letter from the petitioners expressing their shared goals for rules amendments to address several issues, including modernizing the draw to allow for electronic selection and allowing for cloud-based support systems.

Ashley Laden:

Staff responded to the petitioner's joint letter, acknowledging that modernizing the draw-out method to allow for electronic selection and use of a cloud-based support system can not be considered as they were not consistent with the Gambling Act. Staff conveyed that the other requests were under consideration and asked the petitioners if they wish to continue with rulemaking, knowing that a manual draw an onsite server would be required. At least one of the petitioners confirmed that they did wish to move forward.

Ashley Laden:

Draft language was sent out to stakeholders on August 11th, 2021 for review and feedback. A stakeholder meeting was convened on August 16th to discuss the draft language feedback that was received and other concerns that were raised by stakeholders. Staff has put considerable time and resources into meeting with stakeholders in drafting the rule language that's before you that would meet both the needs of the petitioners and fit within the parameters of the Gambling Act. The primary concerns that stakeholders have, which is the use of a cloud-based server and the ability to transmit gambling information over the internet are concerns that staff cannot adjust at this time as the Gambling Act does not allow for these.

Ashley Laden:

Staff has made several attempts to address other concerns that stakeholders have raised such as allowing for remote access of electronic raffle systems for repair, troubleshooting, and technical support, allowing for refunds, allowing for ticket sales in areas where a ticket for this event is required for entry, allowing the affiliated nonprofits to deduct expenses up to a maximum amount before calculating prizes, and also working with licensees to develop internal controls.

Ashley Laden:

Staff feels that this rules package addresses the concern stakeholders have expressed except for those concerns that can not be addressed without amending the Gambling Act. At this time, staff recommends filing this language for further discussion. And with that, I'll turn it over to special agent supervisor Sonja Dolson to present a more in depth for you on the draft rules themselves. And then also Eric Pettigrew of the Seattle Kraken, Drew Johnston of the Seattle Seahawks and Amber Carter of the Seattle Mariners are present today to speak to their petition after Sonja presents. And unless there's any questions for me right now, I'll turn it over to Sonja.

Commissioner Sizemore:

Any questions for Ashley before we move it over to Sonja? Okay. Not seeing any hands. Sonja, welcome.

Sonja Dolson:

Thank you. Good morning, Chair Sizemore, commissioners and ex-officios. For the record, my name is Sonja Dolson. I'm a special agent supervisor in the regulation unit. If I could get Julie to bring up the presentations, please? Thank you.

Commissioner Sizemore:

Sonja, do you have the option to go on camera?

Sonja Dolson:

Yeah, I can real quick.

Commissioner Sizemore:

Okay. It just seems to work better. Thank you.

Sonja Dolson:

Can you see.

Commissioner Sizemore:

Welcome. There we are.

Sonja Dolson:

Okay. Is it okay if I turn the camera off while I present? Or would you like me to keep it on?

Commissioner Sizemore:

Sure. Yeah, if you need to, go ahead.

Sonja Dolson:

Okay. It'll just be easier as I'm moving around a lot.

Commissioner Sizemore:

Okay.

Sonja Dolson:

Okay. So this presentation will give you an overview of how electronic raffles are operated. And I'll also give a summary of the draft rules and the associated equipment used to assist with the raffle activity. Before I get into the details of the rules, I'm not sure how familiar everybody is with these types of raffles? So I'll just give a brief overview of how they're operated. So these types of raffles are operated by nonprofit organizations at large sporting events. Raffle tickets are sold via handheld point of sales units such as tablets or other types of handheld raffle sales units. The handheld sales units make it

easier for the volunteers to sell tickets throughout the stadiums. And raffle tickets are also sold at staff kiosks equipped with handheld sales units that are located throughout the stadium.

Sonja Dolson:

So when a sale is made, the members or volunteers collect the payment and then they print a ticket receipt from a portable printer and provide it to the participant. And then after that, all of the sales are uploaded to an onsite server. Then the raffle ticket that will be used in the manual drawing is printed in a secure location within the stadium, typically in a back office area. And the ticket that will be used for the drawing goes directly into the bin for the drawing. The raffle sales are then updated every 15 to 30 seconds and the signage showing the current prize amount is then updated. And so the prize amount then will be displayed on the big screen in the arena and other sales points so that the participants can see the prize as it increases and sales increase.

Sonja Dolson:

So at some point during the sporting event, let's say for a football game, probably after the third quarter, the sales are closed and then the final amount is displayed. And then the organization will be responsible for ensuring that all the tickets from the sales are printed and have been placed into a large bin for the drawing. Once the manual draw is conducted, the winning ticket number is displayed at the location and on the organization's website. The winners aren't normally required to be present during the entire event to win. They have a predetermined amount of time to claim the prize, with our draft rules, it's 30 days to claim the prize.

Sonja Dolson:

So that kind of gives you a little overview and now go over some of the draft rules. And what is an electronic raffle? So the definition of electronic raffle in these rules it's also referred to as a 50/50 raffle. And a raffle is defined in 9.46.0277. Raffle tickets are sold for no more than \$100 each. There has to be a physical drawing and only members or volunteers of the organization can operate or manage the raffle just like how other current raffles are operated in Washington. So in these draft rules, electronic raffles have to be conducted by a charitable nonprofit organization who's affiliated with a qualified sports team. And the raffles have to be conducted at home games of those sports teams. A qualified sports team is a defined term I'll address later in the presentation.

Sonja Dolson:

One thing to keep in mind, the main difference between electronic raffles and other raffles is that these raffles use an electronic raffle system to print tickets, customers, receipts, and account for raffle sales. However, all of the aspects of the raffle have to comply with the RCW, which would be the manual drawing. And because this is a 50/50 raffle, 50% of the receipts go to the organization and 50% go to the winner. Some organizations may decide to deduct actual expenses prior to calculating the final prize amount. Our draft rules allow the organizations to deduct \$2000 of actual graphical expenses per raffle. Any questions so far on that?

Commissioner Sizemore:

Not seeing any yet.

Sonja Dolson:

Okay. We'll go on to electronic raffle system. So electronic raffle systems are the equipment used by the nonprofit organizations to assist with the raffle activity. And some of the components are the servers that are located at the home-game authorized location, the network equipment software, the raffle sales units, we talked about those, that they could be handheld sales devices or the staffed kiosks. There's also raffle ticket printers that are in those back offices that print the raffle to go into the bin for the drawing. And other related equipment, basically, credit card readers would be an example of that.

Sonja Dolson:

Julie, can you go to... Thank you. So in these draft rules, electronic raffles have to be operated on a secure network from the home-game authorized location, and the network has to be closed with no internet access. The only exceptions in the rules for this are the credit card sales, prize display communication, and remote access. Credit card transactions are already allowed for raffles and the exception for the prize display that just allows the electronic raffle licensee to post that current prize amount in the stadium. And then for remote access, remote access is only going to be authorized for the license manufacturer to access the system, to repair, troubleshoot, or provide technical support.

Sonja Dolson:

And in the WAC rule for remote access, there's a lot of requirements in place detailing what has to happen when remote access occurs. For example, the manufacturer has to notify the electronic raffle licensee before accessing the system and they have to get approval. The procedures for the remote access have to be reviewed and approved by us prior to any remote access, and all activity has to be logged. So, again, just try to picture this equipment, it's similar to a point of sale system. It records the raffle ticket transactions and prints raffle tickets. However, the actual drawing is still manual and that drawing occurs outside of the electronic raffle system.

Sonja Dolson:

Because it's a closed network, no internet sales are allowed, this means no phone sales or any other types of internet sales are authorized. These types of raffles are currently being operated in many states and Canada. The main differences between how electronic raffles are operated in other states versus how they'd be operated in Washington are the requirement that the licensees would have to have the servers on site, it would have to be a closed network, and it would have to have a manual drawing. There are some other states that require manual drawing, but from what I understand, we'd be the only state that would require an onsite server and closed network.

Sonja Dolson:

Also, as part of electronic raffle system testing and review, these systems have to meet or exceed the standards in GLI-31, and they have to comply with our rules and laws prior to coming into Washington. The rules also require a confirmation from the manufacturers that their systems meet the GLI-31 standards, and we'll test the systems onsite and approval be given prior to operation.

Sonja Dolson:

Next slide, Julie, please. So in order to conduct electronic raffles, the organizations have to be licensed charitable nonprofit organization as outlined in the RCW. They have to be affiliated with a qualified sports team organized in Washington. So the teams organized in Washington are listed there for your information. And as far as license fees, the license fees are also listed on this slide. We use the same

license fee structure for this activity as we did for enhanced raffles. Because of the amount of regulation we anticipate, we thought that basing it on the same fee structure was appropriate for electronic raffles.

Sonja Dolson:

So electronic raffles may be conducted at a home game of a qualified sports team. During our review process for these raffles, we'll receive an official schedule for the year or the season to notify us when these raffles will occur. And then during these events, tickets may only be sold after spectators are allowed entry. So participants have to be at the sporting event to purchase a raffle ticket. The draft rules also allow only one raffle to be conducted per home game. And the drawing for the raffle will have to occur prior to the end of the game. Again, electronic raffles can only be held at the home-game authorized location where a ticket is required for entry, so this doesn't include parking lots or other buildings where a ticket isn't required. Did you have a question, Senator Conway?

Commissioner Sizemore:

Sorry about that. Senator Conway, go ahead.

Senator Conway:

No, I'll wait until she's done. All right.

Commissioner Sizemore:

Okay. Go ahead, Sonja.

Sonja Dolson:

All right. Thank you. There are a number of operational controls in the draft rules before you. This slide just highlights some of those controls. For example, the rules require electronic raffle licensees to submit their internal controls and they'll have to be approved by us. They'll also be required to have a licensed manager onsite to supervise the raffle activity. They're going to be required to test the electronic raffle system prior to every raffle to make sure it's operating properly. And they're also required to train staff on the equipment and educate them on the rules and laws.

Sonja Dolson:

As with other raffles, the licensees have to provide rules to participants. In the rules provided to participants, we have a requirement that there'll be a message about problem gambling and where to go for help. And then these rules will be available at the location and on the organization's website. Julie, can you go to the next slide? Thanks. Here are some additional operating requirements, just kind of a laundry list here. Volunteers and members cannot purchase tickets for the events they work. The licensees are going to be required to video record the manual draws so we have that with the records.

Sonja Dolson:

And then there's also rules here of different requirements for discount levels. We have requirements for what must be on a raffle ticket versus a raffle ticket receipt. And, of course, there's requirements for posting the winning ticket number. Again, those are just some highlights of the operational requirements electronic raffle licensees must follow. There are other requirements in the draft rules before you.

Sonja Dolson:

Next slide, just as with enhanced raffles, electronic raffle licensees will have reporting annual reporting requirements. So they'll be required to report annually on their progress toward meeting their stated purpose. And they'll also be required to submit financial statements within 120 days following the end of their fiscal year. The licensing process is a bit different for the approval of this activity. The electronic raffle licensees will be required to submit a raffle plan. That includes a map of the areas where tickets will be sold and the equipment will be secured.

Sonja Dolson:

And because the stadium is a gambling premises, we'll conduct an onsite review and do a walkthrough of electronic raffles licensees plan for their raffles. And like I think I mentioned before, they'll be required to submit internal controls, describe the activity, including the raffle plans, schedule of home games, any plans that they have for members or volunteers staffing levels and other information regarding the equipment. That's kind of just a summary of what the internal controls will require. We're going to provide a template to the licensee with details about everything that's required for them to submit.

Sonja Dolson:

Julie, could you go back just real quick? Thanks. The commissioner approval of electronic raffle license will be at a public meeting, however, it will not be listed in the consent agenda. It'll be a separate presentation similar to what is currently done for enhanced raffles. And the commission will vote on the approval of the electronic raffle license. And then finally the manufacturer will be required to be licensed prior to installing equipment at the home-game authorized location. And then once the equipment is installed, we'll do an onsite inspection to ensure compliance.

Sonja Dolson:

And the approval for the equipment's a little bit different than what we've done in the past, primarily because the equipment is widely used in other states and the manufacturers will have to have GLI certification. And then of course, we'll test the equipment on site to ensure compliance with the onsite server or the closed network and getting an idea of how they're going to do the manual drop. So that's kind of an overview of electronic raffles, any questions?

Commissioner Sizemore:

All right. Senator Conway, I see your hand.

Senator Conway:

I just have a question for staff on regarding, it seems like these are sports teams and nonprofits that really define electronic raffle. And I'm just concerned about how the methodology might be interpreted by others? Keep in mind, any gambling activity we authorized in the state can immediately be offered by the tribes. And I'm just wanting to make sure having been in this world of while that our legal analysts are looking at the implications of electronic gambling here or electronic access here in terms of its impact on what might be perceived to be a type of gambling to change in our state, which the tribes would have adopted?

Senator Conway:

Enhanced raffles or the beginning of this and electronic raffles seem to be introducing a type of gaming that the tribes might see as ability for them to introduce a type of electronic gambling in the casino. So as I know to me this is a legal question as much as anything having been here in this around this gambling for three decades. So it concerns me whether we are opening a door for a new type of gambling in the casinos?

Commissioner Sizemore:

So, Tina, I'll ask you to answer that or if I see Matt pop on. We'll go with Matt first, and then if you have anything to add, Tina?

Matt:

Just to answer Senator Conway's question, that is always a part of our review. As we move forward with the 102 filing, should the commission choose to do that, that will be something depending on the draft language approved for the 102 that will be worked on and evaluated. And we will advise the commission appropriately associated with that. But I do appreciate Senator Conway's point, but that is definitely something that is incorporated within the legal review my office provides.

Senator Conway:

Thank you.

Commissioner Sizemore:

Okay. All right. Any further questions for Sonja or staff? And I guess I have just one quick one, and that is in the operating requirements. I don't know, it's about page 246, I think of our packet. And sub-six says, "Ensure the time during which the raffle tickets will be sold for each electronic raffle are established and posted." And I wanted to check with staff and ensure that if that is at the end of a second period or the end of the third quarter, or the end of the seventh ending or sixth ending or whatever that is, does this language suffice to rather than a time-specific at 9:00 PM or whatever? Does our language suffice for the various teams to be able to select a marker of the contest rather than a specific time?

Sonja Dolson:

Yes, I think it does cover that. I mean, that was what we envisioned is most of the teams would have a cutoff time, like you said, at the end of the seventh ending or end of the third quarter or something to that effect. But I think our rules address that.

Commissioner Sizemore:

Okay. Any further questions from commissioners or ex-officios? Not seeing any hands, I think we would like to have the folks that brought this forward. And not to pick a favorite team or future team. I'll go ahead and let you guys raise your hand. If you would like to go first. So Eric Pettigrew, I see your hand. If you could identify yourself and who you represent and give us your testimony, please?

Eric Pettigrew:

Thank you both. And Thank you, Chairman Sizemore and to the distinguished members of the gaming commission, I have to apologize in advance, I'm going to have to run to a meeting with one of our owners here pretty quick. But I wanted a chance to say a couple of things real quick. One is I am the vice president of government relations for the Seattle Kraken. I've been here for almost two years or so. I

want to, first of all, thank the staff, the gaming staff that's been working with us on this. They've done an excellent job to help us kind of navigate through this whole process and been very supportive in processing this to the point to bring it before you.

Eric Pettigrew:

One of the things we learned right away was that the 50/50 raffle process is a little outdated and could use as much help as they possibly can get. And we are here to work together with the gaming commission and staff as we move forward. My primary focus for our interest in this is one, there's three objectives that we had when we are first looking at the 50/50 raffle and the electrification of the process. One was to provide an easier way for fans to contribute to teams supporting charities.

Eric Pettigrew:

Two, was to maximize the contributions of those charities, the fans who participated. And three was to maintain, the safety and integrity of the standards established by this commission as well as the State of Washington. And I think we've done that in these three rule changes. And like I said, I'm going to have to cut this really short and just say that I urge your support. I have two colleagues that are on this call as well that will answer questions. And I'll be back after our meeting to answer any questions specifically to me.

Commissioner Sizemore:

Okay. Thank you for that. So if there is a Kraken question somebody from your organization will be able to come on camera, then that's great. Next, let's go to the Mariners' representatives since they're only a few games out of the wildcard. Okay, go ahead, Amber. If you you can identify yourself, please?

Amber Carter:

Thank you. My name is Amber Carter and I am here on behalf of the Seattle Mariners. We are in support of the proposed rule changes for the 50/50 raffles used by our charities for fundraising. We have a proud long history of giving back through our nonprofit foundations that advance youth physical activity, prevent homelessness, and promote community leadership. In 2020, we joined the other teams to submit the petition to the gambling commission. And we are greatly appreciative of the hard work of your staff over the last year and a half to move this effort forward especially during such difficult times.

Amber Carter:

We also appreciate the progress that has been made that Eric pointed out in the rule proposal to modernize the 50/50 raffles. Updating these rules will help streamline raffle management while also protecting its integrity. Specifically, the rule changes will allow us to offer a modest raffle at each of our home games to support the nonprofit activities of our charity entities.

Amber Carter:

The proceeds from the raffles support our charities, such as Mariner's Care on-base and the home-based program that support communities around the state. The rule proposal will eliminate a number of inefficiencies such as allowing for the deduction of overhead expenses in the operation of the raffle. And the clarification's will provide important streamlining for the authorized location, testing, remote access for repair, troubleshooting, and technical support that will also help our charities manage the raffles for their fundraising efforts.

Amber Carter:

And while we recognize that some of the aspects of our petition were not addressed in the proposed rules before you, that would more fully modernize the system consistent with other states and teams around the nation. These rules do make a substantial step forward and we ask for your support. Thank you.

Commissioner Sizemore:

All right. Thank you, Amber. Any questions for Amber or the Seattle Mariners? All right. Not seeing any. See. All right. And I think we have one more team representative. And I'm sorry, I missed your name. So let's see, Drew Johnston, I think you took yourself off mute?

Drew Johnston:

Yeah. Thank you, Chair Sizemore, members of the commission and ex-officios. For the record, my name is Drew Johnston. I'm the director of government affairs and compliance for the Seattle Seahawks. I will just echo my colleagues and say, we consider these rules to be a great leap forward even among the statutory constraints. And we ask that you advance them. Already 20 out of the 32 NFL teams conduct 50/50 raffles and we are confident that our passionate 12 would embrace this to the public's benefit.

Drew Johnston:

If you've been to a game you've likely noticed our spirit of 12 volunteers that help sell game programs with 100% on the proceeds charities matched by the Paul G. Allen Family Foundation. This effort along with many others by the Seahawks helps support the great work of our nonprofit partners. However, we and the other petitioners believe there's a better way to tap into the passionate fans who attend our games and believe this is a good step forward.

Drew Johnston:

I want to briefly touch on one important issue for us in the Seattle Sounders FC that staff have signaled that they want to help address as we move these rules forward. The \$2,000 per game deduction has the unfortunate consequences of just disproportionately affecting us and the Sounders given we have the fewest home games thus we were looking to get a more proportional system by number of home games in a, in a tiered system. So we appreciate staff's work on this and we are very grateful for all the work staff has done over the nearly two years we've worked with them to get it to this place. So thank you very much.

Commissioner Sizemore:

Okay. Thank you, Drew. Any questions for the Seahawks or Mr. Johnston? Okay. Not seeing any hands. Senator Conway, go ahead.

Senator Conway:

I guess I have a question for all the organizations here. Is this limited? What about the leagues that feed your teams? Would this allow, for example, the Tacoma Rainiers to have the same kind of raffle options? Or is it limited just to the main affairs of these leagues? I guess I'm trying to understand what is the scope here? Can everyone do this in your organizations down to the minor league teams or how is it limited? Where's the scope part?

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Senator Steve Conway:

... where's the [inaudible 02:35:01].

Speaker 2:

And I'll need our staff to correct me on this, but it is open to all those organizations in Washington State. So now instead of the T-Birds having to only use tickets as a raffle, where you stick it in a bucket and pick out the tickets, and they would have the same access to the electronic version of that, as well as the Rainiers.

Commissioner Sizemore:

So Sonya, I see your hand. And you're muted. If you're... Oh, you're not muted. Sonya, go ahead.

Sonya:

I was having technical difficulties. The way that the rules are written right now, it would be limited to the major league sports teams. The reasoning for that was they were the individuals that submitted the petition. And we figured with the amount of regulation that this was going to take as a new activity, it would be best to limit it to those teams. And then we can see how it goes and maybe expand later on, after the rules are in place.

Commissioner Sizemore:

Okay. Thank you, Sonya. Just so I can maybe recap, and you can correct me if I'm wrong, the staff contemplated this at, essentially, the major league teams only so that we can get a little better understanding, or see if there are any unintended consequences related to this new activity. Is that accurate?

Sonya:

Yes, that's correct.

Commissioner Sizemore:

Okay. So it would take a commissioner action, I guess, to expand beyond those major league teams or change the rules in order to allow for minor league teams.

Sonya:

Correct.

Commissioner Sizemore:

Okay. Commissioner Reeves.

Commissioner Reeves:

Thank you, Mr. Chair. So forgive me, this is a new kid on the block question. Not the musical singers, but a new member of the Commission. Can you, any of the members of the team representatives walk me through how you would envision accountability of your ticket distributors? Are you going to offer them a

training? Are they... Are you only training the manager of the raffle? Are you expecting the nonprofit that you're partnering with to be accountable for understanding the rules and the regulations around administering this raffle? Can you just kind of walk me through you guys' visions for what that looks like?

Amber:

I'll start with that, Commissioner Reeves, and I know Mari was hoping to provide some comments, as well. But every aspect of our raffle plan will have to be approved by the Commission staff, whether it's the devices that are used, the training plan that we have in place, the personnel that we have employed. So all of those aspects that you're questioning would have to be approved by the Commission staff.

Commissioner Reaves:

Thanks. Sometimes I like asking questions I already know the answer to so the public can also hear how you guys plan on doing the work. Thank you.

Commissioner Sizemore:

Okay. And yeah, I think we missed you earlier, Mari. So if you could go ahead and unmute yourself and introduce yourself, please.

Mari Horita, Seattle Kraken:

Thank you. I'm my Mari Horita with the Seattle Kraken. Thank you for the time today. And again, echoing the thanks to the staff for the hard work over the last two years. So we have been studying this a lot. It's actually huge in our league in the NHL, and we've been talking to other teams also about best practices to address these issues that you're asking about, to ensure the integrity of the process. And so, in addition to what Amber pointed out about having everything approved by the Commission, we are also working closely with the other leagues. And if you want specifics, I have a colleague on the call who can also go into some of the details of how the teams go about this. But it just depends how much you want to hear.

Commissioner Sizemore:

All right. Representative Kloba?

Representative Clover:

Thank you, Mr. Chair. So this is a more generalized question that I'm hoping that any of, or all of, the representatives from the various teams can answer for me. And it has to do with, oftentimes when a team comes to town and/or they build a facility, there are community impacts that happen. And I think often there are mitigations in the requirements of starting that team or locating them in that particular geographic space. And so I'm wondering what, if any, of those mitigations involve charitable contributions and is the electronic raffle a way that you envision accomplishing some of these mitigations or for community impacts?

Commissioner Sizemore:

Mari, go ahead.

Mari Horita, Seattle Kraken:

Okay, thank you for that question. And, I guess, being the newest teen to town, I'm pretty familiar with some of our mitigation efforts and commitments. We are looking at this separate and apart from that. Yes, it's absolutely focused on advancing our social impact objectives. And frankly, a lot of those are centered in issues of equity, social justice, racial equity, underserved youth, homeless youth, and environmental justice work, to be specific about what our foundation is focused on, as well as other nonprofit partners that we'll be working with. But this is not, for us, intended to satisfy those mitigation requirements, which are being satisfied separately, really, from a team and arena perspective. If that answered your question.

Commissioner Sizemore:

All right. Thank you for that. So any other questions for the team representatives?

Representative Clover:

Mr. Chair, if I could have each of the teams comment and answer that question.

Commissioner Sizemore:

Oh, absolutely.

Drew Johnston:

I'll jump in for the Seahawks. So yeah. No, we do not intend to any of the revenues used from 50/50 to go to mitigation efforts. We've worked very closely with the Public Stadium Authority to do a lot of that community work already, and have good relationships with a lot of our neighbors in the International and Stadium District downtown. And so, no, we would not try to use this in any manner like that.

Amber:

Representative Kloba, our response is similar as what you've just heard from the previous two respondents. They would be separate activities. The Mariners is also in partnership with the Public Facility District, which has managed the mitigation aspect from the beginning of the changes in the stadium.

Commissioner Sizemore:

Thank you. Senator Conway?

Senator Steve Conway:

I guess I would... Open mic here. My question is, say the Boys & Girls Club wanted to be part of this charitable activity? Or let's say youth soccer? I'm kind of jumping around here, I know. But how do you gain access to the charitable... Who controls the list of allowable charitable activities with professional sports teams, I guess?

Commissioner Sizemore:

Go ahead, Mari.

Mari Horita, Seattle Kraken:

I think from our perspective. Thank you. Sorry, I didn't mean to jump in there.

Commissioner Sizemore:

That's okay. Go ahead.

Mari Horita, Seattle Kraken:

I can only speak for our foundation, and we're set up as a 501(c)(3) public charity with specific social impact and public policy objectives. And so, like any 501(c)(3), we have to abide by that in everything that we do. So for us, the majority of funds, although we haven't really worked out the details, would probably come directly to our foundation initially to support those different social impact pillars. As I mentioned, youth homelessness, you have access, in our case, mainly to hockey, but to sports in general, and environmental justice work.

Mari Horita, Seattle Kraken:

But there will be some occasions, because we have like different theme nights, where there would be specific organizations, whether it's the American Cancer Society or Boys & Girls Club, where, because of the particular theme of the evening, that the funds would very specifically call out different non-profits. But it's going to be... I believe that each foundation has its own priority areas and will, in large part, determine how funds are allocated to be consistent with that. But again, I'm speaking only for ourselves.

Commissioner Sizemore:

Okay. Andrew or Drew? Or, I'm sorry, Amber or Drew?

Amber:

It's a similar response for our team, as well. The foundations ultimately have the say, but those partnerships are certainly sought out and appreciated.

Drew Johnston:

And I'll just briefly add that the Seahawks already partner with Boys & Girls Club through our spirit of 12. So given those relationships, I think we would continue those partnerships, and given the volunteer base that are used to helping us out and helping drive some of the 72,000 fans on any given game day.

Commissioner Sizemore:

And then I was going to ask staff just to confirm for me... I thought that there was an aspect here that the non-profits would have to do an annual reporting of how they're doing on meeting their goals. Is that accurate?

Amber:

Yes, that's correct.

Commissioner Sizemore:

Okay. All right. Any further questions for the teams? I'm not seeing any other hands. I guess the only area that I'm... and you may be able to help me here, Drew... that I have is the deductions piece. And I'm not hearing the teams that have 80 or 40 home games objecting to your looking at an alternative deduction scheme. So if, in fact, one of those other teams have an objection to what you're proposing or the \$2,000 per event deduction, now would be a good time to hear that there was an objection to

modifying that. But one of the proposals I saw, and I'm not sure where it came from, but was to essentially do a 50- or 100- or \$150,000 deduction availability based on number of games or number of events. Are there other ideas that we should contemplate?

Amber:

Chair Sizemore, I just want to confirm that we are supportive of that alternate option, as well. Now, this is a team effort here, and we want to support each other.

Commissioner Sizemore:

Okay. Thank you.

Mari Horita, Seattle Kraken:

Kraken, as well.

Commissioner Sizemore:

Okay. Drew?

Drew Johnston:

Yeah, I think the rules kind of were given to us, about two weeks ago. And so we've worked diligently to try and come up with some ideas, and we'd be more than happy to work with staff if there's some other ideas coming forward. But the three tiered proposal was what we submitted and worked with the other teams to let them know on.

Commissioner Sizemore:

Okay. Thank you. Representative Kloba.

Representative Clover:

Yes. Thank you, Mr. Chair. So I have some very deep concerns about this being a massive expansion of gambling and a normalization of gambling, so that no longer can you just go to a game and enjoy the game. Now you have to have this other layer on top of it that's hard to escape, particularly if you are a person with an issue with gambling. And you are not going to be participating in any of the self-exclusion that we've just had great conversations about. And so, in addition, I'm wondering if you would have any objection to a requirement in the rules to use the signage that's currently used in various other gambling establishments with regard to problem gaming, how do identify it, what's the way to connect with resources? Like through a... We have a hotline. Would you object to having a requirement such as that, to display those things in your venues?

Amber:

Representative Kloba, I believe that requirement is part of the raffle condition already in the proposed rule, but I'll let staff verify that.

Representative Clover:

Okay. Thank you. I apologize if I have missed that.

Sonya:

Yes, there'll be required to post signs.

Representative Clover:

Thank you.

Commissioner Sizemore:

So... and I muted myself there. So I guess I'm going to ask our attorney, Matt, to pop on. Because I did hear the term "expansion of gambling". Is this an expansion of gambling? Because that has a specified term or a meaning.

Matt Kernutt:

Unfortunately, Chair Sizemore, I'm unable to answer that question right now because I'm filling in for AAG Becker today. That being said, I do think that that is a good question that Representative Kloba raised, and I will relay to Suzanne and we will work with staff in relation to that to provide an answer. At least our reasoned legal opinion associated with that, prior to final adoption. Absolutely.

Commissioner Sizemore:

Yeah. I think it'd be important for us to have that. Thank you. Commissioner Patterson?

Vice Chair Julia Patterson:

Mr. Chair, could staff just remind me, if it's determined that this is an expansion of gambling, what would the process be for this moving forward?

Commissioner Sizemore:

Tina?

Vice Chair Julia Patterson:

Because it takes a certain percentage of the state legislature to approve an expansion of gambling.

Matt Kernutt:

Vice Chair Patterson, if this was deemed to be an expansion of gambling... And again, I'm not saying that it is. I want to be very, very clear. That is not a legal opinion yet associated with this... Then it would be outside the authority of the Gambling Commission. It would need to be a legislative question, if that is the case. I, unfortunately, am not prepared to answer that question today for the Commission. I apologize for that, but we can work with staff associated with that, and would also, obviously in evaluating that, welcome the petitioner's views associated with that to evaluate their legal position as well. But if it is an expansion of gambling, it would be a legislative determination outside the scope of the Gambling Commission's authority.

Vice Chair Julia Patterson:

So Matt, I'm a little confused by that. I mean, it either is or isn't an expansion of gambling. The petitioner's views... It's pretty clear to me what their view is going to be on that. I mean, you must have a way of determining whether or not it's an expansion without their point of view.

Matt Kernutt:

We have a legal analysis. That being said, we always like to evaluate stakeholders' arguments if they have a particular legal argument. That's not going to guide the day, Vice Chair Patterson, but it's a way of working with stakeholders here, even as we evaluate legal questions. So that is not to say that there is a veto authority or anything associated with that. But that is generally how we like to evaluate these, working with staff. We will determine our own independent legal advice, obviously, associated with those questions. But having an open ear never hurts in evaluating these particular situations and in these particular legal questions. That is not, again, to say that there would be a veto authority associated with that. This is just a standard practice we like to use to make sure we're thinking through all options as we guide our client agencies in these particular questions.

Commissioner Sizemore:

Okay. Thanks, Matt. Commissioner Reeves?

Commissioner Reeves:

Thank you, Mr. Chair. So this is a process question, much along the lines of Commissioner Patterson, perhaps directed at Matt. So Matt, my understanding is that the decision before the Commission today is whether or not to initiate rulemaking proceedings based on the petition before us, or to deny the petition. And I think the third option that we've always been talking about is that we could also hold it over for more information. Is that currently what is before us today? Just want to make sure I'm confirming that.

Matt Kernutt:

That is my understanding, though I believe we're looking at potentially filing this rule language as a 102, associated with that. If you choose to proceed with the filing of the rule language now, that does not mean this language is locked. That does allow for some of the language to be changed throughout the process. The only question in evaluating any proposed changes is whether there's a substantial variance between the language. That's a legal test that we utilize. If there is, all that does require is that the 102 process be refiled and allow further public comment. So it doesn't end the process. It just can delay it. But that is the question before the Commission today. You're absolutely correct in relation to the options before you, Commissioner Reeves. Yep.

Commissioner Reeves:

So my second part of that question is, given the question that was brought up from Representative Kloba about whether or not this legally constitutes an expansion of gaming... There's kind of a two-prong of that, which is my assumption is that Ashley or others in this process may or may not have done that assessment before in the initial part of this process, about whether or not the petition met that requirement. I don't want to make a poor assumption that we wouldn't be this far in the process if it didn't already meet that threshold, but somebody feel free to correct me. And if that assumption is accurate, recognizing, Matt, that you're going to go back and confirm that, if we move the petition forward today and then come back and find out, "Oh, just kidding. We didn't ask that question," or "We've gotten new information that changes the opinion about whether or not this legally expands gaming or not," in that process... Do we just stop the process and then defer to the legislature? Or can you walk me through what happens, if this, then this.

Matt Kernutt:

Sure. This process can be stopped by the Commission and denied any time. Filing rule language for further discussion does not bind the Commission to an adoption, should it so choose, but based on either continued legal analysis. And again, I don't want to... In my notes, as preparation for this, this question was not relayed. So I do imagine that AAG Becker has looked at this particular before, but I can't speak to that. So I really want to make sure we have all of our I's dotted and T's crossed on that front before I can provide any good guidance to the Commission in relation to that question.

Commissioner Reaves:

That is perfect. Thank you, Matt. I appreciate it. Thank you, Mr. Chairman.

Commissioner Sizemore:

Yep. All right. Thank you, Matt. And Ashley, do you have more to add to the process that we're facing here?

Ashley Laden:

Yeah. Thank you. So I just want to clarify some things. So the teams brought the petition forward to the Commissioners at their March 2020 meeting. And so the petition was accepted to initiate rulemaking in March of 2020. So what's before the Commission right now is the draft language, to file the 102 with the draft language. And that would be for further discussion. And once that draft language is filed, it can be there for 180 days before any decision has to be made to take final action on it. There is some timelines that the teams have that they wish to, obviously, start this process so that they can have raffles. So again, because the November meeting is before that timeline, if we wait until October, and then there's no December meeting, to file the language, the effective date, then, wouldn't be until February, and that's putting it out.

Ashley Laden:

So we could file the language and have it out there for public comment. Essentially, filing a 102 just means that it's published in the Washington State Register for its official public comment period, which we have to give 20 days for the statute. And so that just gives a final, or an official public comment period, and we can continue looking at the language. If we make significant changes, we have to refile a 102 with the language. But again, it's just a process, and so there's no... If we wanted to... I also wanted to add that if we wanted to look at the deductions model that Drew came up with, we could file this language as is and go back and amend it when the Sounders and the Seahawks are looking to implement their raffle system, which I don't believe was this season, but perhaps the next season. And that way it wouldn't delay the other teams from implementing their raffle strategy, which I believe is possibly this spring season. So that's some options for trying to meet everyone's needs.

Commissioner Sizemore:

Okay. Thank you. And Drew, I do see your hand, and then Vice Chair Patterson then Senator Conway.

Drew Johnston:

Thank you. I wanted to provide the Commissioners a little context. So my understanding... We have the legislative framework for raffles and enhanced raffles. The Sounders did try to do a paper-based raffle, 50/50 raffle, and I think found that process to be so cumbersome that that was one of the main reasons why we wanted to approach the Commission. So the 50/50 is allowed and we don't really consider this

the change for a more electronic-based system to really be an expansion given where we are with statute, currently.

Commissioner Sizemore:

Okay. Thank you, Drew. And I guess I'll just ask, since you're there, if we proceeded with the \$2,000 deduction per event, and with some consideration that we would reevaluate that next spring, would that meet the Seahawks' need? I mean, if we don't have time to do this today to kind of solve for this, would you oppose implementing these rules as is for now and then bring forth an alternative? Either this alternative that we sign today or another one?

Drew Johnston:

I think we recognize that certain teams would like to move forward expeditiously. So if the Commission were able to extend their commitment, that they see some issue there and want to work with us on that, I think that would give us some confidence that we could continue to work on that issue.

Commissioner Sizemore:

Okay. Thank you. So Senator Conway... Or Ashley, did you have something else to add on that before I get to Senator Conway?

Ashley Laden:

Yeah. I just wanted to add one more thing. And that was to emphasize that when staff was drafting these rules, we did so with the intent that we were drafting these electronic raffle rules to meet the definition of a raffle, as defined in RCW 9.46.0277. And so I just wanted to clarify that. And then also to acknowledge that these draft...

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