

Speaker 1:

...When vice chair Patterson gets in.

Julia Patterson:

Good morning, everyone. This is vice chair Julia Patterson. [inaudible 00:00:20].

Alicia:

We can't hear you, Julia.

Julia Patterson:

Can't hear me?

Alicia:

That's a little better. It just kind of went out a little bit.

Julia Patterson:

Okay, let me try to adjust my microphone here. How do I sound now, Alicia?

Alicia:

That's good.

Julia Patterson:

Okay. Commissioner Reeves, good morning.

Kristine Reeves:

Good morning, chair Patterson.

Julia Patterson:

Good morning. It is October 14th, 2021, and this is the meeting of the Washington State Gambling Commission that I'm gaveling in this morning. We are immediately going to go into an executive session. We're going there in order to discuss with legal counsel the risk of litigation, to which the commission is likely to become a party. And that's the purpose of the executive session. We expect to be done with that executive session and to be back into this regular meeting, regular public meeting, at 10 o'clock. So thank you, and we'll see you back here at 10 o'clock.

Speaker 1:

Then you'll stop the court recording.

Speaker 2:

With dismiss?

Speaker 1:

Yeah. And then you can leave...

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Speaker 1:

(silence).

Speaker 3:

Test, test, test.

Speaker 3:

(silence).

PART 1 OF 4 ENDS [00:24:04]

Chair Bud Sizemore:

And we need to start recording. We already are?

Interim Director Griffin:

Yes. Just a minute here.

Chair Bud Sizemore:

So good morning, everyone. We'll give everybody just a few more minutes to join the meeting and then we'll get started. Thank you.

Interim Director Griffin:

Yes.

Chair Bud Sizemore:

Do you want to mute for a second? That would be great.

Chair Bud Sizemore:

Well, good morning everyone. And welcome to the October meeting of the Washington State Gambling Commission. We began our public meeting at 9:30 simply to go into executive session and then we have now returned at 10:00 AM. So we will start by calling the role. Interim Director Griffin, please.

Interim Director Griffin:

Vice Chair Patterson.

Vice Chair Patterson:

Here.

Interim Director Griffin:

Commissioner Levy.

Commissioner Levy:

Present.

Interim Director Griffin:
Commissioner Reeves.

Commissioner Reeves:
Present.

Interim Director Griffin:
Chair Bud Sizemore.

Chair Bud Sizemore:
Here.

Interim Director Griffin:
Senator Conway.

Chair Bud Sizemore:
You're muted, but I see you on my screen there Senator.

Senator Conway:
Senator Conway is here. Sorry.

Interim Director Griffin:
Thank you, Senator. Senator Holy.

Chair Bud Sizemore:
He's excused.

Interim Director Griffin:
Representative Kloba.

Representative Kloba:
Present.

Interim Director Griffin:
Thank you. Representative Vick.

Chair Bud Sizemore:
And excused.

Interim Director Griffin:
Okay, so you have a quorum and two ex-officios.

Chair Bud Sizemore:

All right. Well, we can proceed. So with that, I would like to take a brief moment of silence as an agency filled with law enforcement individuals, we would like to recognize the risks that they take on a regular basis. They and their coworkers, and would like to acknowledge any law enforcement officers that have been lost since the last time we've met. So a moment of silence, please.

Chair Bud Sizemore:

Thank you. With that we'll get right into our agenda. First item is our consent agenda, which includes August 25th commission meeting minutes, August 27th commission meeting minutes, new licenses and class three employees license, 2022 meeting schedule and sports wagering vendor and manufacturer reports. The only thing I would like to suggest is that we modify the meeting schedule for 2022 to include two days in November, which would be November 9th and 10th. Is everyone okay with adding the ninth and leaving that on the consent agenda. If you have any objections, please let me know. Seeing no objections. Is there a motion for the consent agenda as amended?

Vice Chair Patterson:

This is Patterson. I'll move adoption.

Chair Bud Sizemore:

Thank you. Vice Chair Patterson. Is there a second?

Commissioner Levy:

Second.

Chair Bud Sizemore:

Thank you Commissioner Levy. So it's been moved and seconded to adopt the consent agenda with the modification on the '22 commission meeting schedule. We'll try to do this voice vote.

Vice Chair Patterson:

Aye.

Commissioner Levy:

Aye.

Commissioner Reeves:

Aye.

Chair Bud Sizemore:

Aye. Any opposed? Motion appears to carry 4 to 0. Also included in our report is an Interim Director's report. Did you want to go over that at all or?

Interim Director Griffin:

I'll just do a broad overview. It addresses the sports wagering, gives us update on where we're at with sports wagering in the State. We have the Snoqualmie Tribe open their first sports book on September 9th, and we have had 17 tribal state contact amendments to date, 13 of which have been published in

the federal register and one is a memorandum of incorporation. And then also it goes over where we're at with our enforcement actions on the illicit market for sports wagering. We have identified 48 sites that have 34 of which have denied access for wagers by Washington Redskins and 14 that we are continuing further investigation on. So we will also continue to monitor, not only continue with those investigations, but also continue to monitor for other websites that allow sports wagering outside of the tribal facilities, as well as then sports wagering in other locations throughout the state.

Chair Bud Sizemore:

Thank you, Tina. All right. So with that any questions on the director's report? All right seeing none, we are already four minutes ahead of schedule, so we'll give a little grace if necessary. Is the honorable Donny Stevenson available right now as well as Daryl Archie? Oh, excuse me. Senator Conway. You're muted, sir.

Senator Conway:

I just have a question on these other sports wagering sites that you've identified, are these sites that are marketing nationally in our state on sports wagering? Since we passed the sports wagering bill probably the assumption is that the citizens in our State can do sports wagering. And I see a lot of sites being advertised around sporting events and I'm curious if that's what you meant by other sports wagering sites, other than the tribes.

Interim Director Griffin:

So it's any website that actually allows a Washington resident to place a wager outside of a tribal facility. So we don't have any regulations regarding advertisements, so it could be an international website and it could be a site that actually is advertising right now. Maybe they plan on coming into the State, but as long as they don't accept a wager from a Washington resident outside of a tribal facility that is authorized under tribal state compact amendment to offer sports wagering, then there's no prohibition against advertising at this point. It's just as long as they don't accept a wager.

Senator Conway:

I guess the follow up question is can you monitor that? I mean, the internet allows you to place bets. How do we monitor that? That they're not placing bets on those websites?

Interim Director Griffin:

It's through those investigations that we do. It's through an investigation process.

Senator Conway:

All right. Just curious because I think I've seen more sports betting advertisements on television anymore in terms of whether they be collegiate or professional sports. And I just wonder how we monitor whether people are betting on those sites or not. I mean we do have clear law in this State and I'm just curious how we enforce it. Thank you.

Interim Director Griffin:

Thank you.

Chair Bud Sizemore:

Thank you, Senator. Any further questions? All right. Seeing none, we will move on to the next item on our agenda. As long as we have everyone necessary, this will be a compact amendment hearing for the Muckleshoot Indian tribe. We are expecting to have representing the tribe the Honorable Donny Stevenson, Vice Chair. Available to him, I believe will be Daryl Archie, their tribal attorney. And we will have Interim Director Tina Griffin, as well as our tribal liaison Julie Lease and any other staff members that we happen to need to bring forward to talk about this. So do we have you? I think I see you Vice Chair and you're muted now. But hi.

Vice Chair Honorable Donny Stevenson:

Yes, sir. Thank you very much. I appreciate the opportunity to be here this morning.

Chair Bud Sizemore:

Excellent. Thank you. And before Interim Director Griffin gets started, just for everyone's information, I forgot to mention it at the front side of the meeting. I've gotten so used to virtual meetings I guess, I forgot about all the disclaimers to discuss. So I'm asking everyone participating in the meeting to please keep yourself muted. If you are being asked to speak to the commission, we'd ask that you come up on your camera and then unmute yourself. Other than that try to stay muted. And for everyone's information, this meeting is being recorded and also being carried by TBW as far as we understand. So with that, we will now go to Interim Director Griffin.

Interim Director Griffin:

Okay. Thank you. So I believe Julie is working the slide. So if you could next go to the next slide please. So we currently have five part-time commissioners. One position remains unfilled with the vacancy left by Lauren King in June.

Interim Director Griffin:

Next slide, please. We have four members of the legislature that serve as Ex-Officio members to the commission and are deemed voting members of the commission for purposes of voting on compact amendments.

Interim Director Griffin:

Next slide, please. The Indian gaming regulatory act sets out the foundation for class three gaming on Indian lands when conducted in conformance with tribal state compacts.

Interim Director Griffin:

Next slide, please. IRA sets out the topics that can be negotiated in tribal state compacts as outlined here.

Interim Director Griffin:

Next slide please. Gaming activities on Indian lands are a means for generating tribal governmental revenue and to promote tribal economic development.

Interim Director Griffin:

Next slide please. Since the gambling activity is a means of generating revenue for the tribal governments, we have a shared interest in making sure that gambling remains legal and honest.

Interim Director Griffin:

Next slide, please. So both the tribe and the state want to make sure that there is no criminal involvement. That gambling is conducted fair and honestly. That gaming is limited to the authorized activities and that we minimize the negative impacts on the local community.

Interim Director Griffin:

Next slide please. So this slide, as well as the next slide outline the compact process. And today we are at the point second from the left in which the commission as well as the Ex-Officios are holding the public hearing and will decide then either to forward the amendment to the Governor for signature or to return to the Director for further negotiations. And with that, I will now turn it over to the honorable Donny Stevenson, Vice Chair of the Muckleshoot Tribal Council. Excuse me. Honorable Vice Chair Stevenson.

Vice Chair Honorable Donny Stevenson:

Yes. Thank you very much. [foreign language 00:44:31] in our language, [foreign language 00:44:32] means thank you. And Donny Stevenson [inaudible 00:44:41] . My name is Donny Stevenson and I'm Muckleshoot. As the Vice Chair of the Muckleshoot Indian Tribe, I thank you for the opportunity to come before the commission to discuss our proposed compact amendment.

Vice Chair Honorable Donny Stevenson:

Next slide, please. As a federally recognized tribe, we enjoy close working relationships with all other governments in the region. While our reservation is located on the Enumclaw Plateau, the greater Seattle region comprises our usual in a custom area. A vast majority of our members are of Duwamish heritage and our tribe is federally recognized as the rightful successor to the band's chief Seattle signed at the tree of Point Elliot. We work hard every single day to keep our Duwamish culture alive and thriving.

Vice Chair Honorable Donny Stevenson:

Next slide, please. Since the advent of tribal gaming, we've made good progress toward our goal of building an economy that will support a better life and a stronger future for our members and membership. But we still have a long way to go. The effects of centuries of poverty, neglect, discrimination are all not easily overcome, but gaming has provided us the resources needed to begin addressing these systemic challenges. And it's essential that we keep tribal gaming in place and that we keep it healthy.

Vice Chair Honorable Donny Stevenson:

Next slide please. Muckleshoot relies on gaming revenue to educate our youth, to care for our elders, to house our people, to provide healthcare for our community and jobs for our families. We use every dollar derived from gaming for those and other important programs and services just as state and local governments use general tax revenues.

Vice Chair Honorable Donny Stevenson:

Next slide, please. We are not a for-profit enterprise seeking riches for investors. The compact amendment before you today will help us continue on our path towards a strong economy and a healthy community. It will keep our gaming enterprise in a sound position to make possible the

continued funding of all of the important programs and services that I previously discussed and that our people need.

Vice Chair Honorable Donny Stevenson:

Next slide, please. Since first opening in 1995, we've made significant investments in our casino to keep a safe and inviting entertainment option for the community. Those investments, along with the support of the gambling commission and the state legislature have made possible the progress we've achieved today, but we still have a long way to go. Critical programs and services such as housing, healthcare, education-

PART 2 OF 4 ENDS [00:48:04]

Vice Chair Honorable Donny Stevenson:

Housing, healthcare, education, elder care, our behavioral health program, public safety programs, and all others that rely on our casino revenues. This compact amendment will help us keep up with very real growing needs of the monthly shoot community. Again, I thank you. All of the staff involved for the hard work invested in making this compact amendment a possibility, the hot up and we'll shoot you again. Thank you for the opportunity to be here today.

Vice Chair Stevenson:

Thank you, Donnie. Are you willing to take any questions right now?

Vice Chair Honorable Donny Stevenson:

Absolutely.

Vice Chair Stevenson:

Okay. Any, any questions for vice chair Stevenson? All right. No. See any, then we'll go back to the presentation.

Julie Lease:

Thank you chair. For the record, My Name is Julie lease, I am the gambling commission's tribal liaison and, thank you vice chair Stevenson for the information. I will be providing a summary of the compact changes for the commission today. First, we have this amendment which includes a completely restated compact for the tribe, their original compact was signed in 1993. They've had six amendments since then, and this data compact merges all of those six amendments into the original compact so that we have one document to work with moving forward. This compact amendment also has what you've seen before as the limitation appendix, just as a reminder for the commissioners next officios, what that is, is up to 25% of the tables on the gaming floor could offer up to a thousand dollars wagers, and then they can offer up to \$5,000 wagers with customer pre-screening at.

Julie Lease:

So, the customer itself would be able be pre-screened and allowed to wager up to 5,000. The tribe may also offer up to 125 gaming tables in one facility or a combination of two because, they still have a second facility available to them or two facilities available to them in their compact. They're also allowed to offer up to 4,000 player terminals in one game facility or a combination of two [inaudible 00:50:55]

along with two other tribes in appendix X two, we're able to offer up to 4,000 player terminals at their facility and this was to allow some of the smaller non gaming or smaller gaming tribes to sell their player terminal allotments, or lease them to the tribe, to be able to participate in gaming revenue.

Julie Lease:

The limitation appendix all also increases the wager limits on the tribal lottery system player terminals up to \$30. This is in alignment with what is currently occurring with the lottery. The tribe may also extend credit to qualified customers based on screening criteria that's set out in the appendix and in their interim controls. The appendix also provides additional funding for problem gambling. It increases from the current compact provision of 0.13%, 2.2%. There's additional charitable funding that is the table game revenue or net receipts will be to the machine net receipts, and one half of 1% will go towards charitable contributions. There is also, as you've seen before moratorium until the problem gambling task force completes its report.

Julie Lease:

The tribe is also added the wide appendix that was first seen back in 2017 with Jamestown SCOM tribe. And basically what that allows, is tribes to connect with other tribes to be able to offer a higher progressive jackpot wager and increase customer interest in the game. And then, a new appendix for that we've never seen before here in the state is something we're calling appendix T or a technical appendix. And what this appendix does, is take security requirements that are currently in appendix X, two for the tribal lottery system and modernize them and gives the tribe and us more flexibility in adjusting to changes in security technology.

Julie Lease:

I do have agent in charge, Dan [inaudible 00:53:11] available, if you have specific questions about the technical appendix, making sure I have my phone a friend available.

Julie Lease:

Are there any questions about the compact changes?

Vice Chair Stevenson:

Julie? I'm not seeing any hands raised or commissioners unmute. Nope, representative [inaudible 00:53:33] I do see your hand. Sorry.

Rep. Kloba:

Yeah, thank you [inaudible 00:53:41]. So, this actually might be for your phone a friend Mr. [inaudible 00:53:47]. And so, new technology is sort of like the only thing we can count on is that it will change. And so can you help me understand a little bit about like how this portion, this appendix T was written? Does it leave space for future technologies for us to be able to come back to the table and discuss those when there are kind of large changes or, how does this appendix address that issue?

Julie Lease:

Agent in charge [inaudible 00:54:25], Do you want to take that?

Agent Dan:

Yes. Good morning. So, appendix T is a data and network security appendix. It doesn't authorize new activities or new technologies. What it does is, it establishes the groundwork and the framework for which those new technologies, once they're approved, would be required to work in. So it's the network and the data security environment` is really what that the Sopen does. And it's written in such a way that as those network and data security industry standards change, we can adopt those industry standards also as they change.

Rep. Kloba:

Okay, great. Thank you very forward thinking. I appreciate that.

Vice Chair Stevenson:

Thank you. Any further questions? Okay. Not seeing any, you can continue

Julie Lease:

Thank you chair. So, now is time for public comment and I also wanted to let you know that we had provided an email address for the public to provide comments on this particular amendment. I checked the email this morning. We've received no comments on this amendment.

Vice Chair Stevenson:

All right. Thank you. So, before we get to that then, and I guess I'll preface this, if you would like to make a public comment, go ahead and get yourself ready to do that. I'm going to ask a quick question of vice chair Stevenson, and you may or may not have this information. I am curious if there's been any movement from [inaudible 00:57:39] tribe to actually implement the wide area progressive, and I know that's probably more over in the operations side, so I understand if you don't have that information, but I anticipate that there will be a lot of work between our two agencies to get something like that ramped up. So, is there been a discussion that you're aware of a timetable for trying to get something like that going?

Vice Chair Honorable Donny Stevenson:

No active effort sort of previously that pursued that wide area progressive. I would also sort of defer to counsel Darrell brown Archie for any sort of current state of affairs. Darrel, if you have anything to add?

Senator Conway:

No, that's correct donnie. We have not. The operations has not made any movement to adopt that at this point, we just wanted to make sure that a product was viable, that the casino would be able to implement it.

Vice Chair Stevenson:

Perfect. Thank you. Okay. With that, we will open the public comment period. Is there anyone that would wish to make public comment at this time? if so, please use the functionality of the platform and raise your hand, or if that's not working, if you can go ahead and unmute and catch my attention. All right. I am not seeing any public comment. So with that...

Julie Lease:

If I may, chair?

Vice Chair Stevenson:

You may.

Julie Lease:

So then, the next steps for the commission today would be to vote to either forward to the governor for review and final execution, this amendment with the Michael sheet tribe, or to return it to the director for further negotiations.

Vice Chair Stevenson:

All right. Thank you for that. Well, with that, I would accept a motion.

Senator Conway:

This is commissioner levy. I move, we forward the proposed compact amendment to the governor for review and final execution.

Vice Chair Stevenson:

Excellent. Is there a second?

Senator Conway:

I second that motion.

Vice Chair Stevenson:

Okay. It's been moved by commissioner levy and seconded by Senator Conway that we move. We forward the proposed compact amendment to the governor for review and final execution. Is there any discussion on the motion? All right. Hearing none. And I will remind everyone that this is a matter that our ex FIS are able to required to participate in and vote. And that, a passing vote requires five yes votes. So with that, I would ask the interim director to please call the role.

Senator Conway:

Vice chair Patterson.

Speaker 4:

Hi, commissioner levy. Hi commissioner Reeves. Yes. Chair semore. Hi, Senator Conway, Senator Conway,

Vice Chair Stevenson:

Both I

Speaker 4:

Representative CLO global votes. I, we have two excused.

Vice Chair Stevenson:

Okay. Motion carries six to zero. Congratulations, vice chair Stevenson. It appears that we'll be forwarding this to the governor.

Vice Chair Honorable Donny Stevenson:

Excellent. Thank you all once again. So very much for the opportunity to be here and, and present and for your vote to approve. It is very much appreciated.

Vice Chair Stevenson:

All right. Thank you. Have a great day with that. That closes the work on tab two of our agenda. And we will now move to tab three, which is rules up for discussion of possible filing regarding chapter two 30 dash 23, which is self-exclusion. And I believe our presentation will be made by Ashley Laden. Our rules coordinator. Are you with us? Ashley?

Speaker 5:

I am. Can

Vice Chair Stevenson:

You hear me okay? I can. All right.

Speaker 5:

Great. For the record I'm Ashley Layden, the rules coordinator with the gambling commission chair size Moore commissioners, and ex officios at the October, 2019 meeting, you chose to initiate rule making to adopt rules, to establish a statewide self exclusion program at the August, 2021 meeting you directed staff to continue to work on draft language, to address several areas today, draft language is before you for discussion impossible filing with the following revisions allows problem gambling treatment counselors to sign the form. In addition to an notary includes a three MI a three year enrollment option includes agency commitment to exploring an online enrollment process. Within six months of modernizing it leg or legacy, it systems includes a 45 day notice to participants before their enrollment in the program expires offering them the option to renew and includes an annual staff reporting requirement on the F see of the program.

Speaker 5:

These revisions were made based on feedback and input received from certified gambling counselors, Washington state healthcare authority, the evergreen council on problem gambling and Washington state department of health staff recommends filing draft language for further discussion. And then I just want to note that in the rule summary itself, it says that I did not, that we did not receive a response from the department of health, but after the packet was sent out, we did receive a response from James Chaney and he and Julie Tamara acknowledged that they received the documents and had no questions, concerns, or edits. And so I just wanted to note that. And so therefore, that's all I have on that. If you have any questions, I welcome. Welcome them now.

Vice Chair Stevenson:

All right, right. Questions for Ashley. Okay. I guess I wasn't ready to go first. I have one Ashley and I'm let me find the section. So 2 30, 23, 10, we, we added the, the second option of, and, and, and the issue that I think we're trying to and correct me if I'm wrong, please. The issue we're trying, trying to resolve,

or, or try to make easier are those folks that want to mail in a form and a way to confirm their identity. So the initial proposal was to have a notary, which certainly that form of confirming identity is, is long standing and is useful. And if you end up in a situation down the road to where you have to confirm that somebody did affirm that identity, so we've added now the problem gambling treatment counselors to that. And the only thing I ask is whether we should consider adding a, a third option, which the third option, we may not know of what it is right now, but if staff determine at a, at a later date, a another way or a better way to kind of catch folks that would like to self exclude, but aren't comfortable going to a notary or aren't, don't have a, a relationship with a, a GA a problem gambling treatment counselor that we could update our form to include a third option of affirming their identity.

Vice Chair Stevenson:

So a, I don't know whether that's good will rule, you know, good kind of practice for rule writing to, to have an opener that would allow for an alternative to be laid out on the form that's going to be used. So if you can comment on a, whether that makes this rule any better by having a, a, a third option for someone to be able to confirm their identity and send in a full, and then, you know, talk about whether that's something that we should contemplate for rule writing. Hopefully that was clear.

Speaker 5:

I think it was, this may be a question for Suzanne, but from my, from my perspective, I think as far as the rules to do what you're suggesting, we may want to consider simplifying the rule to just say, submit a form in the format that we require. And then on the forms say the options in which we suggest, whether it's a notary signed by a certified gambling counselor, and then we specify there, and then we're not stuck in, we're not restricted by the rule, which, you know, options we're requiring, or, or we could, could file it as is, and then come back and amend the rule at a later date to include whatever options we, we come up with. It's kind of, I either option would work. It's just where you want the restriction to live. If it's in rule, then we're required by rule. If we say in rule by whatever format we require that gives us the option to then change the form and, and, and the form would then dictate what the kind of where the

Vice Chair Stevenson:

Okay,

Speaker 5:

If I'm making sense there and, and maybe Suzanne wants to weigh Tina, I'm, I'm not sure, but,

Vice Chair Stevenson:

Well, I'm glad I asked the question because you actually even made it sound smarter to do so. I don't know. So you mentioned, so I will ask Suzanne to come up if she can and discuss as, as Ashley kind of pointed out, I guess we could have the rule state that the form would have the, the parameters

Suzanne:

A and I think that Ashley laid out your options very, very well. I don't have that much more to add. You can place it in rule and then you are bound by your rules unless you decide to later a amend them, or you could make the rule dependent upon the notice provided in the form. And that would give you a little bit more flexibility either way. I think you are up against a practical issue of placing the participants

on one, making certain that the participant is the participant, so that you're not, they're not being unknowingly signed up for the program and that you are also sort of up against the practical problems of just sort of how to do that in a way that makes the most sense for both participants and staff.

Vice Chair Stevenson:

Okay. And we have a pretty good staff. So thank you, Senator Conway, I saw your hand and then representative KLO and then vice Patterson, Senator Conway.

Speaker 6:

I just forgive me. I haven't looked at the rules recently here, but we allow for in person registration. Right. I know we're living in this virtual world here where our, where, you know, it makes it more difficult, but I'm wondering the rules allow for in person registration as well. Right?

Vice Chair Stevenson:

Correct. Correct. Thank you. All right. Thank you, representative Cova.

Rep. Kloba:

Thank you, Mr. Chair. I'm very glad that you actually, excuse me, asked your question and gave us the recognition that oh yeah. Right. We do have that opportunity too. And I think it's, your intent is very consistent with what the discussions were pre about. How do we remove as many barriers as possible for someone to take this step, to adopt this tool of self exclusion, to help their own, you know, recovery or, or managing their gambling behavior. And at the same time, balance that with the security that lets us know that the person who is filing is actually the person filing and not someone, you know, deceptively doing it on someone else's behalf. So I think all of our discussions about whether it be another Republic or another trusted person in the care team is, is good information for them to put on the form. But I really do like your suggestion of in statute making, giving, not being prescriptive other than just as prescribed on the form. So that then that form can be changed as, as you suggest that if different technology comes up or we decide that there's another trusted individual who could within their role provide that sort of identity verification. So thanks for bringing that up. I appreciate, and I support

Vice Chair Stevenson:

It. All right. Thank you. And fortunately, vice chair, Patterson's raised her hand because she would probably know best of all of us policymakers on this area, Julia.

PART 3 OF 4 ENDS [01:12:04]

Vice Chair Stevenson:

... on this area. Julia?

Julia Patterson:

Thanks Mr. Chair. And no, that's not necessarily true. There's definitely significant legislative interest in this topic. So I defer to all of you on this topic as well. I do have a question for Suzanne. Suzanne, with regard to the forfeited funds, the monies that would be obtained as a result of someone who had self-excluded and gambled anyway and had won and had money, there is language in the law about what

happens to that money. And I understand that makes it difficult for us to pick and choose who should receive that money, that was made fairly clear, but I think there is some leeway with regard to what percentage of that money would go where, and there might be leeway elsewhere with regard to the law. And I wondered if you could talk to us about that.

Suzanne:

And so I am happy to, without of course, going into attorney-client privileged information. The statute does make it clear that the forfeited funds are to go to the Problem Gambling Fund and/or a charitable or nonprofit organization that provides Problem Gambling Services or increases awareness about problem gambling pursuant to rules adopted by the commission. So within the parameters of your statute, the commission could adopt rules regarding the percentage of funds that was to go to the Problem Gambling Account or these particular types of organization.

Suzanne:

The commission could also, in theory, adopt rules sort of further defining the terms in the statute where they're not defined. And that might also include rules involving some form of approved list for these types of entities or things of that nature. I will mention with rules of that type you are getting into, there may be very practical considerations if you were looking at some sort of defining of these particular types of organizations or creating an approval list. So that might be something that staff could speak to regarding any practical considerations on staff time. But I think that there is flexibility so long as within the parameters of your statute.

Julia Patterson:

Thanks, Suzanne. Mr. Chair, I for one am very much interested in exploring that element of flexibility in the statute. I know that the state Problem Gambling Fund is incredibly compromised in its ability to provide treatment. And the way the statute is currently written, it gives flexibility to these gambling establishments to either send the money to the state Problem Gambling Fund or to a charitable nonprofit organization of their choice that provides those services. And for my colleagues, I personally am really interested in having a discussion about whether or not we might want to require a certain percentage to go to the state Problem Gambling Fund. So I'll throw that out there. I don't know that I'm interested in defining what kind of charitable nonprofit organizations that the gambling establishments would have to use. I'm not interested in getting into that. But the percentage is something I'm interested in. So your thoughts I'd be really interested in.

Vice Chair Stevenson:

Okay. Thank you for that. And I guess my, I guess, follow-up question, do you have formulated any thought of what type of a split or a percentage? Do you have a thought on that already or just open it up for kind of discussion?

Julia Patterson:

Well, I'm relatively uninformed in that way. What I do know is that the state does an excellent job with the very little bit of money that it has. It does an extraordinary job of providing treatment to those few individuals who are lucky enough to receive treatment through the state. It's A plus. I don't know what sort of protocols are used by these other organizations that the gambling establishments are sending the money to, so I can't do a qualitative comparison. So having said that, I would like to see a significant

portion of that money go to the state Problem Gambling Fund, just because I know that they do such a great job. I certainly am open for whatever else the rest of you have to share on that.

Vice Chair Stevenson:

Okay, excellent. So we'll continue the conversation. I appreciate your perspective on that.
Representative Kloba.

Rep. Kloba:

Thank you, Mr. Chair. I appreciate you bring up that idea, Julia, and my concern, or maybe I guess the intention I would like us to hold onto is the long-range game, which is that potentially, we need to create a system that our Tribal partners could if they chose to participate in. Because, as we know, the broader and the more comprehensive this self-exclusion is to as many gambling opportunities available to the person, the better and the more effective the tool is. So I think with giving that option, I guess, if we were prescriptive about a particular percentage that needs to go to each, I think that that might be less palatable to our Tribal partners. I don't know that, but my intention was to leave some flexibility there. It certainly warrants some conversation with our Tribal partners.

Vice Chair Stevenson:

Thank you for that. And I think very well-stated, definitely.

Julia Patterson:

Can I respond, Mr. Chair?

Vice Chair Stevenson:

Yes.

Julia Patterson:

I just want to say that I completely agree that whatever language we came up with would have to think about things differently from the Tribal perspective.

Vice Chair Stevenson:

Thank you. Yeah. I mean, we just seem to be having to thread a lot of needles here, so-

Julia Patterson:

Mr. Chair, I see that Roxanne Walter has joined us. Maybe she could shed some light on that.

Vice Chair Stevenson:

Yeah. And certainly during public comment, I would absolutely hope to hear from her, but one other thing, I wanted to ask more of a specific question related to this and then have her have the option of public comment. So are you available for a question, Roxanne?

Roxanne Walter:

Yes, I'm available.

Vice Chair Stevenson:

Okay. So Commissioner Patterson brought up a very important point here, and I think based on some of your public comment in the past, both written and at our meetings, I think you've laid out kind of some of the both budgetary benefits of money going into the state program as well as accountability measures. So my question, I guess, is related to budgeting and essentially expenditure of those funds. So it seems to me it would be really hard to budget for an unknown kind of influx from these seized funds. So how would you anticipate if in fact we had the vast majority of these, or let's not say the vast majority, but the majority of these seizure funds to go to the Problem Gambling Account, how would you kind of manage that both on the budgetary side as well as the expenditure side?

Roxanne Walter:

Yeah. Thank you, Chair Sizemore for an opportunity to respond. I appreciate it. I first want to say that I completely agree with Representative Kloba about having flexibility so that our Tribal partners can opt to join in this endeavor. It's really important. And I want to thank Commissioner Patterson also for raising this issue. From my perspective, as part of the Problem Gambling Task Force, members are looking at a more secure and stable stream of funding. So that is going on alongside, and there will be recommendations to the legislature in about a year around that. For any additional funding that's coming in, because we have pulled out so much money for the prevalent study, a half million dollars from the Problem Gambling Account, and we're also less by any, and we would've been \$150,000 short for our treatment budget, but we did get a generous donation from a Tribe of \$100,000 and the Recovery Cafe together. And so I want to acknowledge our partners as well.

Roxanne Walter:

But I would say that we have taken so much money out of that Problem Gambling Account that I don't think there's very much left in there as a cushion for us to do any future work. And so my suggestion is twofold. One is to have that funding in some percentage, which I think would be great, come into the Problem Gambling Account to help build that up again so that we can do other additional research projects in the future. And then secondly, to look at the language around the how to have ... So I had submitted some language earlier, and my suggestion is a non-legal person around how Tribal contributions could be handled versus commercial venues. And so that I think is important to look at. So I hope that I'm answering your question around that.

Vice Chair Stevenson:

Yeah. Well, I mean, I guess I have a visual of a couple of empty pockets. So yeah, hard to budget empty pockets, or I guess maybe easy, because there's just nothing you can do. So, all right, thank you for that. Well, is there any other commissioner perspective on either having the form kind of prescribe the identity affirmation or this concept of defining a percentage of those seized funds to the State Problem Gambling Fund? I am not seeing any hands. Vice-Chair Patterson, do you want to kind of prescribe a percentage? And maybe before you do that, I was going to ask Suzanne if we have any arbitrary and capricious concerns of determining a percentage for these seizure funds, how do we kind of manage this proposal?

Suzanne:

So with this, with any rule making, you will want to articulate the reasons why you are articulating any particular percentage in your roles to support your rule making. That would be, basically the commission

would need to articulate the reasons why they've considered other options and why you feel that this is sort of the best path forward with the rules would be the focus of the commission.

Vice Chair Stevenson:

Okay. Thank you. So if you're willing Vice-Chair Patterson, can I throw it back to you? Do you have a thought or a proposal, I guess, for us to consider?

Julia Patterson:

Well, I'll throw something out there, and I want you to know I'm very, very open to my colleagues' point of view, and if you want to amend it, I'm open to that. I just know from my experience working on the Problem Gambling Task Force that there's a dire need for funding in the State Problem Gambling Account. And I would like to prescribe a significant amount of those forfeited funds to that account. And I would justify that by alliterating the numerous ways in which those funds could be used, the projects that are going unfunded, the treatment that is going unfunded because of the fact that the state account is so compromised. And then if I was going to make a motion, I would want to also make it clear that this would not prescribe that the Tribes do anything. That's a separate conversation. So are you asking for a motion?

Vice Chair Stevenson:

Not necessarily a motion at this time. I want to make sure that we have a robust discussion. I think staff's probably writing some notes down and may have some of advice for us at some point. I think a good discussion is best for right now, and then I anticipate having once all of our questions and kind of discussion's over, we'll do a public comment period and take those comment into consideration, then I think maybe motions would be in order. Does that make sense to you?

Julia Patterson:

Yes. Thank you.

Vice Chair Stevenson:

Okay. Representative Kloba, I see your hand.

Rep. Kloba:

Yes. Thank you, Mr. Chair. So trying to reflect both on the comments that I made and the concerns that Commissioner Patterson is articulating, as I look at some of the ... we got a great deal of feedback. And one of the things I think that I was reading was with regard to the part of the draft rules that talk about the WAC 30 and the responsibility of the house-banked card room licensee with regard to this program. And if we scroll way down in section eight, sub H sub one is describing how they will take the forfeited funds and send them to the Problem Gambling Account.

Rep. Kloba:

And perhaps there could be a differentiation between what a card room would need to do. And this is where you could say from a card room, the forfeited funds must be submitted to the Problem Gambling Account such and such a percent and charitable, whatever we're calling it, another such and such a percent. And then do a slightly different thing as you call a Tribal casino, they would be contributing to

the nonprofit or charitable organization that provides the problem gambling services or awareness. Does that sound like a potential solution that gets at both intentions?

Vice Chair Stevenson:

I think I would have to ask staff, and I do see interim director Griffins' hand up.

Interim Director Griffin:

Thank you, Representative Kloba. You brought a very good point to light that WAC 230-23-03-0 applies specifically to licensees. Even in its title, it says licensees' responsibilities. So therefore it's referring to our licensees. And so we wouldn't be able to in the subsection eight start talking about Tribes because this whole rule is centered around our licensees. So we would have to take out section eight, move it to a new rule and address it separately. So what I would suggest, here's just a suggestion, is that in an effort to implement the statewide program in an expeditious manner, maybe we take section eight out for now.

Interim Director Griffin:

We do know that even upon a vote, which we need to actually file the rules for further discussion, if you file the rules for further discussion today by removing subsection eight, we can come back at some later time, which could even be a month or two or next month, and address these confiscated funds, both for ... Well, and if you wanted to wait a couple months, we could even address them with more stakeholder, in speaking with our Tribal governments in regards to this and their thoughts as well. So, because even when you go to take final action, staff is asking that these rules not be effective immediately because staff is going to need probably at least three to four months to build the infrastructure surrounding this program to work with our licensees so that they can get internal controls ready, that they can get ready to make those-

PART 4 OF 4 ENDS [01:33:40]