

Speaker 1: Oh, whoops. It says transcription. [inaudible] transcript.

Bud Sizemore: Excuse me.

Speaker 1: [inaudible] record.

Bud Sizemore: Give us just a moment to get ready and restarted here.

Speaker 1: [inaudible].

Speaker 3: Thank you.

(silence)

Bud Sizemore: All right. Excuse me. Welcome back everyone. I hope you had a nice little break. And I guess I'm talking to everybody but our staff, because they were working feverishly while the rest of us were trying to get a little snack.

So with that, I would ask that the interim director call roll and make sure we still have a quorum.

Speaker 4: Yes, I see Vice Chair Patterson.

Vice Chair Patt...: Here.

Speaker 4: Commissioner Levy.

Commissioner Le...: Here.

Speaker 4: And Commissioner Reeves.

Commissioner Re...: Here.

Speaker 4: I'm just going to check, chair, if it's okay to see that we have Suzanne Becker.

Bud Sizemore: Uh-huh. I saw her come in.

Suzanne Becker: I am present.

Speaker 4: Thank you.

Bud Sizemore: I see designators for Senator Conway and Representative Kloba. I think we can continue. So when we left, we were on tab three, which is rules up for discussion and possible filing, Chapter 230-23, self-exclusion. As I mentioned, staff worked during the break to try to address commissioner concerns.

Alicia, are you ready to... I'm sorry, Ashley, are you prepared to help us move forward?

Ashley Laydon: I am. Can you see my screen okay?

Bud Sizemore: If you could make it bigger, that'd be really great.

Ashley Laydon: I can make it bigger. How's that?

Bud Sizemore: Looks good.

Ashley Laydon: Okay, so what we've done is I've highlighted the areas that we've made changes. We've started by removing in the definition section, the definition for problem gambling treatment counselor, as that will be information that will be included on the form. And then let me know when you're ready for me to continue on.

Bud Sizemore: Okay. I'm not seeing any raised hands.

Ashley Laydon: Okay. Moving down to Section 230-23-010, request for self-exclusion. Under the portion where we had submitting through the mail, we've removed the portion requiring the form to be notarized or signed by a problem gambling treatment counselor, as that information will be required on the form. Or the information will be required on the form, and so therefore it's removed from the rule. We included that the form can be found on our website.

Bud Sizemore: Okay.

Ashley Laydon: Here, again, we removed subsection C, requiring that the form be properly notarized or signed by a problem gambling treatment counselor, if submitting by mail.

Bud Sizemore: Okay.

Ashley Laydon: And then moving to the section, period of enrollment, we've removed the requirement of having it notarized or signed if receiving it by mail in subsection two.

Bud Sizemore: Okay.

Ashley Laydon: Under subsection three, we've included initial under the selected period of enrollment, so that it would be consistent with subsection four.

And then for the changes for subsection four, I'm going to take it off of track changes, so that it's easier to read.

Bud Sizemore: Okay.

Ashley Laydon: Okay.

Speaker 1: Would you like Ashley to read it into the record, so everybody can read it?

Bud Sizemore: Sure, yes. If you can read it...

Ashley Laydon: So what we came up with was subsection four currently reads, "We will send a notice to the participant 40 days prior to the end of their initial enrollment period, indicating the end of their enrollment period. If the participant chooses to end their enrollment in the self-exclusion program, they must return the form requesting to be removed from the list."

"If no response is received by the end of the enrollment period, the participant will remain on this self-exclusion list until they request to be removed. The participant may request to be removed from the self-exclusion list at any time after their initial enrollment period by notifying us and the format we require."

Bud Sizemore: It was 45 days prior, I think you said 40. But-

Ashley Laydon: Correct.

Bud Sizemore: Thank you.

Ashley Laydon: 45. Sorry about that. 45.

Bud Sizemore: No worries. Any comments, questions on that? All right, you can continue.

Ashley Laydon: In 230-23-020, voluntary self-exclusion, we've added initial in subsection two, just to identify that the self-exclusion request is irrevocable during the initial enrollment period, but then if they want to request to be removed after that initial period has ended, that would be allowable.

Here, let me... I apologize for the scrolling. There was no changes made to disclosure.

So then next was licensee responsibilities. So under the, in regards to the confiscated funds section, we've updated this to read... Again, I'm going to take this off of track changes too, so that it's easier to read. I'll read that for the record as well.

Bud Sizemore: Thank you.

Ashley Laydon: So we've updated this to read, "The licensee will issue checks to the same monetary value confiscated within three business days after collecting or refusing to pay any winnings from gambling or chips in the possession of a participant on the self-exclusion list as follows. A, a minimum of 70% of the confiscated funds must be dispersed to the problem gambling account created

in RC-4205-751, and B, the remainder of the confiscated funds, if any, must be distributed to a charitable or nonprofit organization that provides gambling disorder services or increases awareness about gambling disorders."

And then also, they must document and retain for one year the surveillance evidence that that hasn't changed and a copy of the canceled check that hasn't changed. So, just the disbursement of the money has changed. I can go back down, so you can see that in track changes again.

Bud Sizemore: Is there reporting to the Gambling Commission [crosstalk]-

Ashley Laydon: That's actually, I can scroll up, that's contained in subsection six, where the licensee is required to notify us of a breach within 72 hours. And so that's going to be included right here under 6C.

Speaker 1: It was such a great idea. We already thought about it, and put it in the rolls.

Bud Sizemore: Perfect. Any more questions, comments from commissioners? Alicia, can you show me the first change you did again, the section two, I think, sub two, where it says that the form will essentially dictate... I guess I didn't quite see how we did that.

Ashley Laydon: So submitting it through the mail, you just have to submit a completed form which can be found on our website and submit also a photograph showing only head and shoulders. The form must be completed with no areas left blank and signed under penalty of perjury by the person seeking self-exclusion. So then-

Bud Sizemore: The leaving no blanks covers us, they will have the instructions. Okay.

Ashley Laydon: Correct.

Bud Sizemore: Okay. Ashley, do you have any final words of wisdom on this for us or options?

Ashley Laydon: I guess I just have, one request would be that prior to, if approved today for filing, that I just have the allowance to go through and proofread this for consistency issues and any spelling or grammar formatting issues, before I file it with the code advisor, just because we did it somewhat quickly.

Bud Sizemore: So non-substantive changes.

Ashley Laydon: Non-substantive changes. Yes.

Bud Sizemore: So somebody made a motion to... Let's see, let me make sure, approve the draft rule language-

Group: Yeah. Thanks.

- Bud Sizemore: As proposed, with the ability for your office to make non-substantive changes for consistency. Is that right?
- Ashley Laydon: Correct.
- Bud Sizemore: Do we know who that is?
- Speaker 1: Tana Russell. She's a provider.
- Bud Sizemore: A provider of [inaudible]?
- Speaker 1: She's a certified gambling person.
- Bud Sizemore: Okay. We already completed our public comment period, but since we have made some changes and they're actually on paper so people can see, do the commissioners have any objection to opening it up for public comment again? I see Tana Russell with your hand up, so we'll open up public comment again. Tana, if you'd... and I apologize if I'm mispronouncing your name. So you could go on camera if possible and identify yourself for the record.
- Tana Russell: Hi, thank you very much and you had it right. It is Tana. Tana Russell assistant director at the Evergreen Council on problem gambling. And thank you, really this was just a question about, I noticed that in one section under the licenses, it switched from the problem gambling term to gambling disorder. I didn't know if there was a reason that term switched, that narrows the population it captures a little bit.
- Bud Sizemore: I think that was the, who could receive confiscated funds. Does that seem right to you, Tana? So 9H, somewhere in there? If you can scroll-
- Tana Russell: Correct. The only reason I ask is because problem gambling is a term used more loosely to describe the outreach or treatment work. Gambling disorder is the clinical diagnosis where they have to meet at least four out of nine diagnostic criteria.
- Those who might meet one, two or three might be said to have problem gambling. Those who have problems from gambling that aren't listed as criteria might also be described to have problem gambling, which also access some of the services available. So that's just why I was asking.
- I know that problem gambling was used elsewhere and I didn't know if you would really want to be narrowing the focus of who could be benefiting from these services in this section. It didn't seem like that was your intent, intentional or otherwise. I hope that's helpful.
- Speaker 1: Yes, actually, we do have-

Bud Sizemore: A rationale?

Speaker 1: We do have a correction that needs to be made, in looking at the RCW. So going back and forth with problem gambling and gambling disorder, somehow it looks like... Thank you, Miss Russell, it looks like we have made some changes to the rules that were inadvertent.

Ashley, is it okay if we make the changes back to the RCW language? And so it should read, "A charitable or nonprofit organization that provides problem gambling services, or increases awareness about problem gambling, pursuant to rules adopted by the commission."

Bud Sizemore: I will ask commissioners whether they are, if there's any objection to the changes that were made on your screen. I'm not seeing anyone object. Tana, thank you for that. Anything else?

Roxane, welcome back to public comment.

Roxane Waldron: Thank you. It's Roxane Waldron, problem gambling program manager for the state of Washington. Very quick note under A there that we're seeing at the top. It's actually RCW 41.05.751. Not 42. Thank you.

Ashley Laydon: Thank you, Roxane. I don't know how many times you have to tell me that. Let's make sure I have it correct in the other place too.

Roxane Waldron: I live and breathe 41-05-751. No worries.

Bud Sizemore: Okay. Anything else, Roxane?

Roxane Waldron: No, I appreciate the changes. Thank you.

Bud Sizemore: Thank you. We'll go ahead and drop your hand then. So is there a motion? Commissioner Patterson, you wish to make a motion?

Vice Chair Patt...: Yes. Thank you, Mr. Chair, I move to approve the draft rule language as amended, or further discussion as presented by staff.

Bud Sizemore: And to clarify, does your motion include the ability for staff to make non-substantive modifications for clarity?

Vice Chair Patt...: Yes, that's a friendly amendment. It does intend that.

Bud Sizemore: Is there a second?

Commissioner Le...: Second.

Bud Sizemore: It's been moved by Vice Chair Patterson, seconded by Commissioner Levy, to approve the draft rule language as amended by staff and others to, excuse me, as amended for possible filing, for filing. Is there any discussion on the motion? And hopefully I accurately depicted it. Go ahead, vice chair.

Vice Chair Patt...: Mr. Chair, we will have another opportunity to readdress the entire proposal again. I just want to reiterate that, is that not true?

Bud Sizemore: Ashley, if you could let us know where we are and where we would go.

Ashley Laydon: Yes. So, this language will be filed with the code reviser. It will be... Let's see here. It'll be filed, the cut off date is Wednesday, and then it'll be published on November 3rd. Hearing on it can be taken on or after November 23rd. So final action could be taken on it at the December meeting. I think the meeting is December 7th. So that would be when it could be looked at again.

If substantive changes were made to it between now and then, we would have to refile the language for discussion again. Does that answer your question?

Vice Chair Patt...: Thank you.

Ashley Laydon: Mm-hmm (affirmative).

Bud Sizemore: All right, I guess we're hoping that there are no further substantive changes to this, prior to filing.

Speaker 1: Chair, I was only going to offer that if you would like, we could bring this back for just a discussion item at the November meeting, if you desire.

Bud Sizemore: That might give us an opportunity to save a month, if there ends up being some substantive changes. Is there any objection, commissioners, of adding this to our November agendas, just a discussion? Okay, I'm not seeing any objections.

So on the motion to file the draft rule language as amended on our screen, with the ability for staff to make minor non-substantive changes prior to filing, we'll try a voice vote. All those in favor, please say aye.

Group: Aye.

Group: Aye.

Group: Aye.

Bud Sizemore: Aye. Any opposed? Motion carries four to zero. All right. Thanks, everyone, for hanging in there. This was a tough one to work through, but a very important policy, and I think was worth the time.

So next, we will move to tab four on our agenda. This is rules up for discussion and possible filing. This is Chapter 230-19, our sports wagering rules, the portion that we bifurcated off a few months ago.

So we will have this presented by Ashley Laydon, our rules coordinator and I'm sure she has a host of folks behind her that can help out with any questions that we have. Ashley.

Ashley Laydon:

Chair Sizemore, commissioners and ex officios, I'm Ashley Laydon, the rules coordinator with the gambling commission. At the July 2020 meeting, you chose to initiate rulemaking to adopt new rules and amend current rules, in order to implement the new sports wagering law. At the June 2021 meeting, you chose to file draft language for further discussion.

In July 2021, you took final action on a portion of the draft language that was filed and directed staff to continue to work with stakeholders and tribal representatives on Chapter 230-19 WAC with the intent of bringing revised language back to you at this meeting today. Chapter 230-19 WAC is before you today for discussion and possible filing.

Draft language was sent out to stakeholders and tribal representatives on September 3rd, 2021 for review. Staff met with stakeholders and tribal representatives to discuss the revisions that had been made. Based on the feedback staff received, further revisions were made to the language.

These revisions include language mirroring Compact regarding the need for sports wagering systems to meet or exceed GLI-33 standards was kept to provide additional clarity to sports wagering vendors. Staff considered the rule language suggested during a meeting with tribal representatives to strictly refer to Compacts and/or internal controls. However, staff chose not to implement this change for a number of reasons.

Chapter 230-19 is designed to work in combination with each tribal gaming agency's regulatory authority to determine suitability for licensing of sports wagering vendors, and to bridge gaps not covered in tribal state sports wagering Compact amendments, such as areas where Compacts don't outline specific sports wagering vendor requirements, or areas where more detail is necessary for enforcement. And also to address non-tribal related activities where information sharing may be necessary. Further internal controls are not publicly accessible, which is a necessary requirement for rules under the Administrative Procedure Act.

Staff recommends filing draft language for further discussion. I welcome any questions you might have at this time.

Bud Sizemore:

All right, thank you for that presentation. Are there any questions for Ashley? Senator Conway? You're muted, sir. Sorry.



Senator Conway: Did you receive any written responses to these rules? Or was everything verbal?

Ashley Laydon: We received written responses from FanDuel, and that's included in the packet under feedback received since September 3rd. And that was in regards to some reporting timelines in the integrity monitoring section, I believe.

Senator Conway: Okay. But in your conversation with stakeholders, everything was in verbal, I guess, right?

Ashley Laydon: Since the revisions were made, most of the feedback was verbal. Yes.

Senator Conway: All right. Thank you.

Bud Sizemore: All right. Any further questions for Alicia? I'm sorry. Ashley. I've done that a couple times.

Ashley Laydon: It's okay.

Bud Sizemore: All right. Seeing no further questions, I will open this up for public comment. So with that, public comment is open. I see that we have one hand raised. So just as a reminder, if you wish to make public comment at this meeting, go ahead and use the functionality of the platform, which raise your hand. When you're called upon, please, if you can, bring yourself up on camera and unmute yourself. So first, we have Roxane Waldron.

Roxane Waldron: Yes. I'm sorry, I was distracted for a moment. Could you please tell me what I'm supposed to be speaking on? I apologize.

Bud Sizemore: We have opened up public comment on the 230-19 chapter of sports wagering rules.

Roxane Waldron: Okay. Well, at this point, I don't have a comment, but I may going forward. I apologize.

Bud Sizemore: Okay. Thank you. Tim Woolsey. So, Tim, if you could unmute yourself, and go ahead and identify yourself for the record.

Tim Woolsey: Hi, Tim Woolsey. I'm the lawyer for the Suquamish Tribe.

Bud Sizemore: Welcome.

Tim Woolsey: I just wanted to say that we're disappointed that the commission is ignoring the requests by the tribes, and just want to remind the commission that the state of Washington has waived its sovereign immunity under the Compacts, and if we're continuing down this path, the tribes may seek other remedies to fix the situation. Thanks.

- Bud Sizemore: Thank you, Tim. All right, Senator Conway. You have to unmute sir.
- Senator Conway: Very familiar with the process of waiving sovereign immunity. We have done this at different times in the legislature and at the request of the tribes actually. I guess what I'm asking you, is that what you think needs to be done, in terms of this rulemaking that there is an approach with the tribes on waiving sovereign immunity?
- Bud Sizemore: Tim, if you can hop back on. I'm not sure if you heard Senator Conway's question.
- Tim Woolsey: What I'm saying is that the state's attempt to regulate Indian gaming has been well litigated. And this is just another sign of that, and the tribes aren't happy about it. And the sovereign immunity waiver is a method for resolving those conflicts through a external body. So that's what I'm saying.
- Bud Sizemore: Thank you. Commissioner Reeves.
- Commissioner Re...: Thank you, Mr. Chair. I maybe need some clarification per the last speaker's comments. When you say the tribes, is this individual entitled to speak on behalf of all of the tribes represented or impacted in this conversation? I just need some help understanding which tribes we're referring to when we say that tribes.
- Bud Sizemore: Go ahead, Tim.
- Tim Woolsey: I think that the commission is well aware of many tribes expressing displeasure with what's going on. I speak for the Suquamish Tribe.
- Commissioner Re...: Thank you very much.
- Bud Sizemore: Okay, anyone else that would like to provide public comment? Okay, seeing no one else raise a hand, we'll go ahead and close public comment. And is there a motion? Vice Chair Patterson.
- Vice Chair Patt...: Thank you, Mr. Chair, I move to approve the draft rule language for further discussion as presented by staff.
- Bud Sizemore: Thank you for your motion. Is there a second? I'm not seeing anyone do a second. I will second the motion as the chair, so that we can have further discussion. Would you like to speak on your motion, Commissioner Patterson?
- Vice Chair Patt...: Thank you, Mr. Chair, I would just simply like to say that I think that staff took to heart the concerns that were raised by the tribes this summer. We have new language here that, based on the information that I have been given, address those concerns. The concerns having to do with us not negotiating in good faith or violating IGRA.

We bifurcated our rules in August because of those concerns, and the staff has spent a long time rewriting these, so that we can move forward. I've been made aware of what some of the continuing concerns are of the tribes. But at this point in time, I believe that the language is worthy of being moved forward.

Bud Sizemore: All right, thank you. Any further discussion? Not seeing another hand, I'll simply add that I've been deeply involved in this topic, I think essentially prior to the legislature even enacting. I think that I have increased my knowledge of this area a hundredfold in the past couple of years, and still really am just scratching the surface of the information, and the really dynamic and changing environment that sports wagering is encompassing these days.

When it comes to the approach that the legislature took, the responsibilities that I feel that they bestowed upon us in this process, I think require us to maintain the relationship, the Compact relationship that we have with the tribes, and the dual regulatory approach. I think the dual regulatory approach that these rules acknowledge and rely upon for the role that the Tribal Gaming Agency will fulfill, and how that affects the gaming on Indian country.

But on top of that, there are gaps, there are holes that are not addressed in our relationship with those licensees, those vendors that are providing some of the nuts and bolts that are required for this gaming activity to occur on Indian country. I believe that our staff has done a wonderful job of making these regulations as skinny as they could, to accomplish the necessary work that our agency has to do, to the benefit of every citizen of the state of Washington.

I am supportive of moving these rules forward. I'm interested in moving them forward as soon as we can, in a reasonable timeframe, so that as this activity grows, that we and our staff have the tools available to ensure that this new activity is operated honestly and fairly. And really does meet the objectives that the legislature laid out when they passed the legislation. I'm supportive. I hope my fellow commissioners can be supportive of moving this forward as well.

Any further discussion? Okay, seeing none, we'll go ahead and try to do a voice vote. All those in favor of the motion, which is to approve, excuse me, approve the draft rule language for further discussion as presented by staff. All those in favor, please say aye.

Vice Chair Patt...: Aye. Patterson votes aye.

Bud Sizemore: Aye. Any opposed... Commissioner Reeves, I see your hand.

Commissioner Re...: I'm sorry, the nature of this virtual world. I just have a process question. I realize it's very poor timing in the middle of a vote. But basically, if we are voting yes on this, it is similar to the last set of rules. We are moving them forward for filing, but we will have an opportunity to revisit them in the future. Is that correct?

Bud Sizemore: Ashley, I'll have you go ahead and let us know where we're at and what the rest of the process is.

Ashley Laydon: Yeah, so they would be filed by Wednesday, the cutoff date. And then that means that they would be published in the Washington State Register, which starts the official public comment period. And we have to allow at least 20 days. So they would be published on November 3rd, and then we couldn't have a meeting on or after November 23rd to take final action on them. Does that answer the question?

Bud Sizemore: I am not sure. I think that I might have seen her leaving. Commissioner Reeves, are you still in the meeting?

Vice Chair Patt...: Mr. Chair?

Bud Sizemore: Yes.

Vice Chair Patt...: I wondered if we could hold the vote open in case Commissioner Reeves got cut off somehow. Hold the vote open while we attempt to try to reach her? We got cut off in the middle of a discussion that was very interesting. I'd like to see us hold the vote, so that we could finish that.

Bud Sizemore: I am... Give me just a second here. I got to try to figure this out. So Commissioner Levy has had to leave the meeting. She had a prior commitment. So without Commissioner Reeves, we do not have a quorum currently.

Commissioner Re...: I'm back, Mr. Chair.

Bud Sizemore: You're back. Okay.

Commissioner Re...: I'm not sure why I got kicked out.

Bud Sizemore: I don't know. Gremlins. But these are the days we're in. So Commissioner Reeves, did you hear the entire response?

Commissioner Re...: I did not. Ashley, thank you for answering it. But you just started and then it said I was removed. I did not get to hear any of your answer.

Ashley Laydon: Okay. Yeah. So the rules will be filed by Wednesday, if actions taken to file them today. And then they would be published in the Washington State Register on November 3rd, which would start the official public comment period. And that public comment period has to, we have to allow at least 20 days. So then we wouldn't be able to have a hearing for final action until on or after November 23.

Taking action today to file them for further discussion, just initiates the official public comment period on the language.

Commissioner Re...: Thank you very much.

Bud Sizemore: All right. And I would, Suzanne, are you available?

Suzanne Becker: I am.

Bud Sizemore: I call for a vote. And then we had a question in the middle of the voting, we'd have reestablished a quorum. Should I reannounce, since we lost quorum, should I begin over and announced the vote?

Suzanne Becker: So I think for clarity's sake in the record, that might be the simplest way to go about it.

Bud Sizemore: So any votes before are incomplete. So we're going to start over? Okay, thank you. Anything else I need to be concerned about here, Suzanne? I assume this is an item that requires three votes to move forward.

Suzanne Becker: It is.

Bud Sizemore: Licensing action, or I mean regulation. Okay. Thank you. I haven't opened the vote yet. Any further questions regarding 230-19? And the motion that is before us, is to approve the draft rule language for further discussion as presented by staff. So hopefully, everyone's clear on the motion. We'll try a voice vote again. All those in favor of the motion, please say aye.

Group: Aye.

Bud Sizemore: Commissioner Patterson you're muted if you...

Vice Chair Patt...: Sorry about that, aye.

Bud Sizemore: Aye. Any opposed? All right, the motion carries three to zero. Apologize to everyone on the meeting here if that was unclear, but that can happen with technology. So with that, we have moved this language forward for filing and further discussion. Thank you, everyone.

The next... excuse me.

Speaker 1: Just a quick question, based on Commissioner Reeves' question, would you like to have this rules package for discussion only on the November agenda?

Bud Sizemore: Without objection from commissioners? Yes, I think that'd be a good idea.

Speaker 1: Thank you.

**Bud Sizemore:** Next, we will move to tab five in our materials, which is rules up for discussion and possible filing applying for a gambling service player license. And once again, we have Ashley Laydon, make the presentation.

**Ashley Laydon:** Chair Sizemore, commissioners and ex officios, Ashley Laydon, rules coordinator. In 2020, you initiated rulemaking to amend or adopt rules for both sports wagering and electronic raffles. In July, 2021, you chose to take final action on a portion of the rules necessary to implement the new sports wagering law, consistent with the gambling act and recently negotiated tribal state sports wagering Compact amendments.

As part of these Compact amendments, sports wagering systems need to be tested and certified by an independent testing lab to ensure they meet or exceed GLI-33 standards and provisions outlined in the Compact and appendices. Independent testing labs must be licensed by both the tribes and also by us. We do this through a gambling service supplier license.

Therefore, WAC 230-03-210, applying for a gambling service supplier license must be amended to include the testing and certification of sports wagering systems as a service requiring the application for a service supplier license. WAC 230-11-305, electronic raffle systems is a rule before you today for final action. This rule requires an independent testing lab licensed by us to perform the testing and certification of electronic raffle systems to ensure the system meets or exceeds GLI-31 standards and complies with all Washington gambling laws and rules, before the electronic raffle system can be brought into the state.

Therefore, WAC 230-03-210 must also be amended to include the performing and testing of gambling equipment as required by title 230 WAC, as a service requiring the application for a service supplier license. This will also cover the testing of any future equipment we may require, by rules to be certified by an independent testing lab.

Draft language was sent out to independent testing labs who hold the license in this state and also to tribal representatives on September 9th, 2021. Feedback received was either supportive of the proposal or was seeking clarification on whether the proposed changes would require an independent testing lab to obtain a new license. Existing service supplier licenses will cover these additional services. Staff recommends filing the draft language for further discussion.

**Bud Sizemore:** All right, thank you. Are there any questions for Ashley? I guess I have one just quick question, hopefully quick. So an independent testing lab, is there a scenario where, is there an independent testing lab out there that only does GLI-33 testing, or only sports wagering equipment testing that we're aware of?

**Ashley Laydon:** I don't know the answer to that. I'm not sure. But I think if there was, then they probably wouldn't... And maybe Tina can correct me if I'm wrong, but they

probably wouldn't have a license with us, and then they would be required to obtain a license. Is that correct, Tina? Is that what you're getting at?

Bud Sizemore: Yeah. I'm trying to make sure that we don't inadvertently require somebody to get a minor or a mid sports wagering license as well as a service supplier-

Ashley Laydon: No, they would be required to get the service supplier license in order to test the equipment.

Bud Sizemore: Okay. Perfect. Thank you. Nothing to add. Okay. Any further questions for Ashley or our staff? Okay, hearing none, I would like to open the floor for public comment on this gambling service supplier license amendment. Is there any public comment on this rule proposal? Again, I'll remind you to use the functionality, go ahead and raise your hand through the platform. Or if that's not working, you can unmute yourself and get my attention. All right, I'm not seeing anyone wish to make public comment. So the public comment for today is closed.

Commissioners, any further discussion? Seeing none, I would accept a motion.

Vice Chair Patt...: I can make that motion, Mr. Chair.

Bud Sizemore: Go ahead, Vice Chair.

Vice Chair Patt...: I move to approve the draft rule language for further discussion as presented by staff.

Bud Sizemore: All right, is there a second?

Commissioner Re...: I will assume that I'm the only other person that can second that besides you, Mr. Chair, since I heard Alicia is gone. I will second that.

Bud Sizemore: All right, moved and resoundingly seconded to approve the draft rule language for further discussion as presented by staff. Is there any further discussion? All right, hearing none, this is step one. So we'll see this back a couple of times, I suppose. All those in favor, we'll try a voice vote. All those in favor, please say aye.

Commissioner Re...: Aye.

Vice Chair Patt...: Aye.

Bud Sizemore: Aye. Any opposed? Motion carries three to zero. Thank you for that and you're not quite off the hook yet, Ashley. Tab six is rules for discussion of possible filing, minimum cash on hand requirements. Ashley, you're back up.

Ashley Laydon: Chair Sizemore, commissioners and ex officios, at that August 2021 meeting, you chose to accept a petition and initiate rulemaking to address minimum cash on hand requirements, to keep jackpot money in a separate offsite bank account rather than on the premises. The draft language before you today addresses this and also addresses staff's concerns of how licensees will maintain funds and payout prizes.

This draft language was sent out to the petitioner and to house bank cardrooms for review. Feedback was received from the petitioner and two cardrooms in support of the draft language. Staff recommends filing this language for further discussion.

Bud Sizemore: All right. Any questions for Ashley on this one? I have one hopefully quick question. So for prizes over 5,000, I see 230-15-673 sub two states that for prizes over 5,000, that the operator must pay out 5,000, and then may do the rest by check. Am I interpreting that right?

Ashley Laydon: Correct.

Bud Sizemore: Did we consider having it up to the winner of the prize to be able to receive up to 5,000 in cash and then the remainder in a check? I guess what I'm worried about is, if the individual would just as soon only get \$500 and then the rest in a check. Is that possible here? Or does that make the operator in violation if they gave them 500 and the remainder in a check?

Ashley Laydon: Can you restate your question from the beginning? I'm sorry.

Bud Sizemore: No worries, no problem.

Ashley Laydon: I have to-

Bud Sizemore: It's been a long day already. So for instance, if the prize, if somebody won a jackpot, \$20,000. So the way I read the language, the operator has to give them 5,000 in cash, and then may send them the remainder, the 15,000 via check within 24 hours, I think.

It seems like the rule, as stated, requires the operator, even if the individual says, "Hey, I just want \$500 in cash and I want 19,500 in a check," does our rule allow that?

Speaker 1: Mr. Chair, I'm going to answer on top of Ashley. Ashley is the rules coordinator and I think we're putting her in a position of enforcement. And that's really a regulation, that's actually not her role. I feel a little uncomfortable having her feel like she needs to answer that question.

So if I could, staff followed the... We already have other rules regarding player supported jackpots, which allow prizes of \$5,000 or less that could be paid in



chips or prizes. And then prizes not awarded in cash have to be paid within 24 hours, with a check. And then progressive jackpot prizes, we use the same language, for the most part, licensees must immediately pay out a minimum of \$5,000 and pay the remaining balance.

Now, I would hope that regulatory agents, if they were called upon and said, "Hey, I have a player who only wants to take \$500, but they're insisting they not take the other 4,500 and I give them a check tomorrow." We do afford our agents the ability to use discretion. I would hope that since it's a lesser amount, that they would go ahead and recognize that. We certainly can make language changes here.

I think our concern is, one, to be consistent, but two, should the player want that 5,000, that's a requirement then for the cage. And we want to make sure that the cage is able to fulfill what the player has. So we can do some more research and get back to you, in terms of how many times we've been called upon that.

But I would hope that regulatory agents would say that is okay. As long as it's the wish of the winner, and the winner chooses that avenue.

Bud Sizemore: And the cage I still responsible for maintaining at least the 5,000.

Speaker 1: Yes. But we can certainly make language changes and bring it back to you next month.

Bud Sizemore: Okay, well, staff's done a lot on the fly already this month.

Speaker 1: I think we should be consistent in terms of the other prizes as well.

Bud Sizemore: Okay, so then I guess, Suzanne, and I don't know if you can answer this right now on the fly or not, but I'm wondering if we left the language the same today, that said that they would be paid out 5,000 in cash and the remainder in a check, if we change it to up to, at final adoption, would that be a substantive change or not?

Suzanne Becker: That is a great question. I would need to see the language, Chair. I don't know that I could answer that on the fly at this moment. I'm sorry, what's the magnitude of the change in the dollar amount that you're proposing again?

Bud Sizemore: Right now there's the language, the rule language says that the operator shall pay 5,000 in cash and the remainder would be in a check within 24 hours. I am contemplating giving the winner of the jackpot the latitude to take what they want up to 5,000 in cash and the remainder in the check.

Suzanne Becker: Chair, it would be a better course of action to perhaps take a short break, so that staff could work on making those proposed changes for you today.

Bud Sizemore: Sorry, hold on just a second, we're...

Speaker 1: There's a sentence that we're looking at in 230-15-673. I was just pointing that out to Chair, that says the player may request that the licensee pay the entire prize balance by check.

Bud Sizemore: Up to.

Speaker 1: Or up to the entire prize. So is that-

Bud Sizemore: It accomplishes, you're saying.

Speaker 1: Yes.

Bud Sizemore: I disregard. So actually, my objective actually exists within the rule already. So sorry for the wasted time. Any further questions for Ashley, any legitimate questions I guess for Ashley on this item? Okay, not seeing anyone raise a hand, I would like to open this rule up. I think I saw the sponsor of the original request on our meeting earlier. I would like to open the public hearing up on this rule change.

And again, if we can use the platform, raise your hand function, if there's anyone that would like to make public comment. All right, I am actually not seeing anyone raise their hand. So is there a motion? Vice Chair Patterson. You're muted.

Vice Chair Patt...: Mr. Chair, I move to approve the draft rule language for further discussion as presented by our staff.

Bud Sizemore: Is there a second?

Commissioner Re...: Second.

Bud Sizemore: It's been moved and seconded to approve the draft rule language for further discussion as presented by staff. Is there any further discussion? Seeing and hearing none, we'll try a voice vote. So if you can unmute yourself, all those in favor say aye.

Commissioner Re...: Aye.

Vice Chair Patt...: Aye.

Bud Sizemore: Aye. Any opposed? Motion carries three to zero. All right, we thank you for that. We will now move to tab seven on our agenda, which is electronic raffles. And again, we have Ashley Laydon, our rules coordinator on a marathon session.

Ashley Laydon: Chair Sizemore, commissioners and ex officios, at the March 2020 meeting, you chose to accept a petition and initiate rulemaking to allow sports teams, charitable foundations to operate raffles at sporting events using electronic systems in compliance with current state statutes. At the August 2021 meeting, you chose to file draft language for further discussion.

Draft language was filed with the office of the code reviser in September 2021, and published in the Washington State Register issue 21-18-123. It was also posted on the agency website.

Staff recommends final action be taken on the language before you today, which includes non-substantive changes to the following rules in order to provide clarity to licensees. And the rules are, WAC 230-03-138 defining qualified sports team. Language was added to this rule to clarify that a qualified sports team does not include lower level teams, such as minor farm or development leagues.

WAC 230-03-153, applying to operate electronic raffles. Language was added to this rule to clarify that charitable or nonprofit organizations must be established by, or directly affiliated with a qualified sports team to apply for an electronic raffle license.

WAC 230-06-050, review of electronic or mechanical gambling equipment. Reference to WAC 230-16-005, was removed as this rule has been repealed and the correct WAC, WAC 230-06-116 was cited. The language was also clarified by citing WAC 230-11-305, subsection three. WAC 230-11-305, electronic raffle system standards. Language in subsections one and two were revised to clarify the application process and all of those are highlighted in your packet. By taking final action today, these rules would become effective on or after November 18th, 2021.

I did receive feedback yesterday from BUMP Worldwide who is a manufacturer. To summarize this feedback, BUMP is proposing that the commission allow electronic raffles to be operated using cloud-based servers and an electronic drawing rather than a manual drawing, under a 12 to 18 month pilot program, which would allow the commission to monitor and analyze the integrity and security of the system. And that was sent to you yesterday afternoon.

With that, I welcome any questions you may have. I just want to note too that I did receive a public comment that I will read during the public comment period, as the person had to leave the meeting early.

Bud Sizemore: Okay.

Ashley Laydon: Thanks.

Bud Sizemore: Any questions for Ashley on electronic raffles? Okay, not seeing any questions. So with that, oh, Commissioner Reeves.

Commissioner Re...: Sorry, Mr. Chair, I'm a little slow on the uptake today. Just to be clear, what's being presented to us today is the underlying rules and what Ashley just shared is a proposal. But if I understand the process correctly, that would require a separate motion to actually initiate that pilot program. That is not part of what we're being asked to vote on under the rules today. Is that correct?

Bud Sizemore: Go ahead, Ashley.

Ashley Laydon: That's correct. That is correct. That was just feedback that I wanted to share separately, as it was received late yesterday. What I'm asking is that, or what staff is recommending is that you take final action on the rules with just those non-substantive changes to the four that I called out.

Commissioner Re...: Perfect. Thank you, Ashley.

Ashley Laydon: You're welcome.

Bud Sizemore: Senator Conway?

Senator Conway: Ashley, I have perhaps a legal question here. But having been around this for some time, we allow electronic raffles at a sports facility. Are we broadening the possibility for electronic raffles to be introduced in broader types of activities? I know that when the lottery does something, it changes the way we do gambling in this state.

I'm wanting to know whether electronic raffles have any implications in broadening the scope of gaming in this state, or whether the limitation to sports events and limitation to what basically are the larger sports events in this state, the NFL games as well as probably the baseball, et cetera. Are we potentially altering the legal framework of electronic gaming in this state? Because I think that's a major issue.

Bud Sizemore: Stand by, we'll figure out who best answers that. Suzanne or...

Speaker 1: You can see if Suzanne wants to answer.

Bud Sizemore: Suzanne, do you want to tackle that?

Suzanne Becker: Well, I'm going to suggest that perhaps Senator Conway, we have a conversation after the meeting or at a break, where we could have a little bit more detailed discussion. But I will say that the draft rules as proposed are in line with the commission's statutory authority for raffles.

And so in that light, I would say that there is no exceeding the commission's statutory authority as granted.

Senator Conway: I'm more interested in the impact it will have on other players, gambling players in this state. If we authorize a type of gaming, it usually becomes subject to expansion here. I don't mind talking with you after we're done here. But I'll just give you a concrete example, lotteries authorize you to put dollars into a machine to receive cashback, or to purchase tickets. We suddenly started seeing the tribes introduce the same kind of technology in their casino gaming.

I'm just concerned how the implications here, the broader implications here of the type of gaming we're authorizing. Because we're really authorizing a type of internet gaming restricted to, or type of raffle purchase, let me use that word, type of raffle purchase.

Suzanne Becker: And Senator Conway, if you look at the rules, you'll see that the equipment is very clearly limited to an on-site server. There is no transmission of gambling information over the internet.

Senator Conway: Okay. Just want to make sure that we're broadly working to understand how smaller decisions we make on gambling in the state can implement larger issues. Thank you.

Suzanne Becker: Of course, and let's do talk afterwards. I'm happy to always discuss.

Senator Conway: Thank you. Thank you, Senator Conway. All right. Any further questions of staff? Okay, not seeing any, I would like to open this up for public comment. So if there is anyone that would like to make public comment on tab seven or electronic rules, I see I've got a couple of folks here. I'll call on David Trout.

I'll remind folks, if you could please, if you can, turn your camera on and identify yourself for the record.

David Trout: Thank you everybody. My name is David Trout, T-R-O-U-T, on behalf of BUMP Worldwide. I also just want to add on what Ashley said and comment on it. And Miss Becker [inaudible] just said that there's no transmission of gambling information. That is part of what we believe is the system right now with a cloud-based, and the cloud-based is used by almost every state in the union and up in Canada.

And there's regulations, the rules have already been proposed to be adopted, requiring GLI-31. And GLI-31 addresses cloud-based computing and non-manual drawings. And so we think that GLI-31, the gold standard in monitoring, which this committee is already looking at, if that's part of the rules for the protections that the commission would need to move forward.

Senator Conway: All right. Thank you. So, anything else, Mr. Trout?

David Trout: I have nothing else.

Senator Conway: Okay, thank you. Amber Carter, welcome.

Amber Carter: Thank you, and I'm going to have to apologize for not having my video on. I just don't have a functioning video screen option for me today.

Senator Conway: No worries.

Amber Carter: Amber Carter here today on behalf of the Seattle Mariners. We spoke to you back in August about our support for these proposed rules. We just want to extend that support again today. Our nonprofit has a long history of giving back through our foundations to advance youth physical activity, prevent homelessness and promote community leadership. This is a tool that will be used to modernize 50/50 raffles to help streamline the management while continuing to protect its integrity.

And while we recognize that the rules did not go as far as our request initially sought, we do believe that these represent a substantial step forward on streamlining other provisions in the rules. An example of that is allowing a modest raffle at each of our home games to support these nonprofit activities, and to have a deduction for overhead expenses, through the charitable work of our foundations.

Again, we appreciate the step forward. We look forward to future discussions in future modernization efforts, but at the time, we support these rules as presented. Thank you.

Senator Conway: Thank you. I forgot to ask any questions for our last two public comments. Okay, I'm not seeing any. Ashley, you have some public comment on behalf of another individual, I assume?

Ashley Laydon: Yes, this comment is from Ken Cook of Ascend Fundraising Solutions, which is a manufacturer and it says, "We have discussed this internally and we have decided to provide services in the state of Washington providing enough interest. While we agree with the position that BUMP has identified, it would be in everyone's interest if RNG and AWS were allowed in the state."

"In our opinion, the only way this initiative will get off the ground on the proposed timeline is to follow the existing rules set forth by the working committee and the commission initially. We are currently offering services in a state with similar limitations. We are confident that we can meet the state regulations provided. Although not ideal, it is certainly achievable."

"We hope that by identifying the caveats around operating with localized servers, WSGC in the future will offer the opportunity to pilot and demonstrate the efficiency, safety and compliance that conducting a raffle using AWS and

RNG presents to the charitable foundations would be acceptable to the commission. Best regards, Ken Cook."

Senator Conway: All right, thank you. Any further public comment? All right, not seeing anyone else raise their hand. Commissioner Patterson. Sorry, Vice Chair.

Vice Chair Patt...: Are you ready for a motion, Mr. Chair?

Senator Conway: I absolutely am.

Vice Chair Patt...: I'd like to make a motion. I move to approve rule language for final action, including minor non-substantive changes to rules 2030-03-138, 203-03-153, 230-06-050 and 260-11-305 to provide clarity to licensees. Final action on these rules would make them effective 31 days after filing with the code reviser.

Senator Conway: All right. Thank you for your motion. And before we go to a second, Ashley, I wanted to double-check those WAC references. Are these all 230? I think somewhere here we've gotten a couple of typos. 230-03-138. I assume 230-03-153, 230-06-050 and 230-11-305?

Ashley Laydon: Correct.

Senator Conway: Okay. Vice Chair Patterson, is that acceptable to you to modify your amendment or your motion to reflect the proper WACs?

Vice Chair Patt...: Yes. Thanks for catching that, Mr. Chair.

Senator Conway: No problem. Is there a second?

Commissioner Re...: Second.

Senator Conway: Thank you, Commissioner Reeves. So moved by Vice Chair Patterson, seconded by Commissioner Reeves, that we move to approve rule language for final action, including minor non-substantive changes to the four rules that I stated earlier, to provide clarity to licensees. Final action on these rules would make them effective 31 days after filing with the code reviser. All those in favor, please say aye.

Commissioner Re...: Aye.

Vice Chair Patt...: Aye.

Bud Sizemore: Aye. Any opposed? Motion carries three to zero. Very good.

I am feeling like a 10 minute break would probably do us all well. I am suggesting we take a break until three o'clock, and then we'll return and we

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have a couple more items on our agenda. Apologize for those that are waiting for tab eight, but let's go ahead and take a 10 minute break. Thank you.

(silence)