



STATE OF WASHINGTON
GAMBLING COMMISSION

"Protect the Public by Ensuring that Gambling is Legal and Honest"

September Gambling Commission Meeting Minutes

Gambling Commission Headquarters

Virtual Meeting

*September 10, 2020

Commissioners Present:

Bud Sizemore, Chair (Present)

Julia Patterson (Via Teams)

Alicia Levy (Via Teams)

Lauren King (Via Teams)

Ex Officio Members Present:

Senator Steve Conway (Via Teams)

Representative Shelley Kloba (Via Teams)

Staff Present:

Dave Trujillo, Director; and Julie Anderson, Executive Assistant.

Staff Present-Virtual:

Tina Griffin, Assistant Director; Brian Considine, Legal and Legislative Manager (LLM); Julie Lies, Tribal Liaison; Heather Songer, Public Information Officer; Ashlie Laydon, Rules Coordinator;

Adam Teal, Staff Attorney; and Suzanne Becker, Assistant Attorney General.

Public Meeting Call to Order

Chair Sizemore called the virtual meeting to order at 11:06 AM and announced that the commissioners would go directly into executive session to discuss potential litigation, including tribal negotiations, with legal counsel. Chair Sizemore asked Director Trujillo to call the roll. All commissioners were present. He announced that the public meeting would reconvene at 2:00 PM.

Executive session adjourned at 1:28 PM. The commissioners took a break until 2:00 PM.

Public meeting reconvened at 2:03 PM.

Chair Sizemore asked Director Trujillo to call roll to ensure a quorum. All commissioners were present. The commission observed a moment of silence for the fallen officers that have lost their lives since we last were together.

There were 64 people who attended the virtual meeting.

Tab 1

Commissioner Patterson moved to approve the consent agenda as presented.

Commissioner King seconded the motion.

Director Trujillo called the roll.

* Governor Inslee issued [Proclamation 20-28.4](#) et al that suspended certain Open Public Meeting requirements, including in-person public meetings requirements for this Commission Meeting.

The motion passed 4:0

Tab 2

Rule Petition for Discussion and Possible Filing – Credit, loans, or gifts prohibited

Ashlie Laydon, Rules Coordinator (RC), presented the materials for this tab. In September 2019, the Commission reviewed a petition to amend WAC 230 06 035, credit loans or gifts prohibited. This would allow for the use of credit cards as another method of payment and to allow pull-tab operators to extend credit up to \$200. At the September 2019 commission meeting, the commissioners decided to initiate rule-making to explore allowing the use of credit cards as a method of payment for all gambling activities where it is not currently allowed but chose to not consider allowing the extension of credit.

The Gambling Commission staff held a stakeholder meeting in December 2019. Stakeholders expressed interest in the use of credit cards to purchase bingo cards, pull-tabs and to play amusement games. The draft language was sent to all licensed organizations for comment prior to the stakeholders meeting.

There were 22 stakeholders in support of the proposed language and 18 stakeholders opposed the proposed language.

Staff recommends filing the draft language for further discussion.

Commissioner Patterson asked if the proposed language would allow for an extension of credit up to \$200. **RC Laydon** explained that it would allow patrons to use a credit card to pay for up to \$200 in pull-tabs. It would not allow them to run a tab.

Chair Sizemore asked for public comment. There was no public comment that pertained to this rule.

Commissioner Patterson moved to initiate rule-making by filing the proposed rule language as presented by staff.

Commissioner Levy seconded the motion.

Director Trujillo called the roll.

The motion passed 4:0

LLM Brian Considine asked commissioners if they wanted to have a more robust discussion and decision at the October meeting or wait until the November meeting. **Commissioner Levy** said that she prefers to have the discussion sooner rather than later. **Chair Sizemore** agreed that the rule should be discussed at the October meeting.

Tab 3

Rule Petition for Discussion and Possible Filing – Wagering limits for non-house banked card games

Ashlie Laydon, RC, presented the materials for this tab. John Monk (Everett, Wash.) is requesting to amend WAC 230 15 135 -- wagering limits for non-house banked card games -- by removing the maximum single wager limit of \$300 for poker. **RC Laydon** explained that under the current rules, the maximum amount of a single wager in poker must not exceed \$40; however, a class F house-banked card game licensee may offer a single wager not to exceed \$300.

Under the requirements of the Administrative Procedures Act, the Commission must take action on this petition within 60 days of receiving it. Staff recommends denial of this petition. John Monk, who does not represent a licensed organization, addressed the Commission with his concerns. Although he is asking to remove the limit altogether, he believes that increasing the limit to \$1,000 or \$1,500 would be more reasonable than the \$300 limit. He stated that, in his opinion, it would accomplish the same goal and could be strictly monitored.

Commissioner Patterson asked if a removal of the wager limits for poker would open negotiations with tribes. **Director Trujillo** replied that it would.

Chair Sizemore asked for public comment. There was no public comment.

Commissioner Patterson moved to deny the petition because the Gambling Commission does not have statutory authority to pass a rule that eliminates wager limits as the petitioner requested.

Commissioner Levy seconded the motion.

Director Trujillo called the roll.

The motion passed 4:0

Tab 4

Rule Petition for Discussion and Possible Filing – Amusement games authorized

Ashlie Laydon, RC, presented the materials for this tab. Steve Manning (Tacoma, Wash.) is proposing to amend WAC 230-13-005 -- Amusement games authorized-- to allow amusement games to award third-party gift certificates and/or gift cards as prizes. Under current rules, amusement games must only award merchandise prizes, and gift certificates and/or gift cards do not constitute merchandise prizes. The petitioner feels that this change will increase revenues for amusement game licensees as well as local retailers.

Staff recommends denying this petition because the commissioners and staff spent considerable time in 2016 reviewing this issue and determined that gift cards cannot be considered merchandise prizes and that a prohibition on offering gift cards as prizes was appropriate. Staff believes the prohibition is still appropriate and no change should be considered at this time.

Steve Manning addressed the commissioners and thanked them for their time. Mr. Manning explained his ideas to attract other players, such as adults, to the games he distributes. He stated that more enticing prizes and gift cards from third-party businesses should mitigate any concerns about a licensee offering cash prizes. After he explained his ideas, **Chair Sizemore** asked Mr. Manning if he would consider withdrawing this petition until he can work with staff on better language so that staff doesn't recommend denial. Staff did not provide a response indicating that a solution was legally possible. **Mr. Manning** agreed to withdraw this petition.

Chair Sizemore asked for public comment. There was no public comment.

Tab 5

Rule Petition for Discussion and Possible Filing – Sale of raffle tickets over the telephone or internet

Ashlie Laydon, RC, presented the materials for this tab. Dean Hanks (Tacoma, Wash.) is proposing to amend the rules to allow raffle tickets to be sold over the telephone and Internet by

licensed charitable and/or nonprofit organizations. Purchases would be made using a credit card. Ticket stubs would be mailed to the purchaser. The petitioner feels this change is needed because, due to COVID-19, people are not able to conduct raffles face-to-face, and by doing it over the telephone and/or internet, nonprofit organizations could make up for some of the lost revenue. Staff recommends denying the petition because RCW 9.46.240 prohibits the sale of raffle tickets over the telephone or the Internet, and the Commission cannot consider the change requested unless it is authorized by the Legislature in the Gambling Act.

Senator Conway asked if other raffles have been authorized for sale over the telephone. **LLM Considine** explained that the enhanced raffle is authorized but only for organizations like Special Olympics.

Chair Sizemore asked for public comment. There was no public comment.

Commissioner Patterson moved to deny the petition because the Gambling Act does not authorize the sale of raffle tickets over the phone or over the Internet. Therefore, the Commission does not have the authority to approve the petitioner's request and it should be denied.

Commissioner King seconded the motion.

Director Trujillo called the roll.

The motion passed 4:0

Tab 6

Presentation- Gambling Budget

Christopher Stanley, Chief Financial Officer (CFO), presented the agency's proposed budget for Fiscal Year 2021 and asked commissioners to permit the CFO or the director to make any last-minute changes as necessary, as long as they are consistent with the Commission's intent.

There was no public comment.

Commissioner Levy moved to adopt the 2021 proposed budget as presented by staff.

Commissioner King seconded the motion.

Director Trujillo called the roll.

The motion passed 4:0

Senator Conway stated that the Governor asked state agencies to take a 16% reduction on their budgets. Senator Conway asked if these reductions were reflected in the forecast. **CFO Stanley** replied that the Commission is not a cabinet level agency required to follow the request. CFO Stanley explained that due to the current climate of gambling in our state, which is declining, we didn't have to reduce expenses any further.

Commissioner Levy moved to adopt the request to permit the CFO or the director to make any last-minute changes as necessary, as long as they are consistent with the Commission's intent. Commissioner King seconded the motion.

Director Trujillo called the roll.

The motion passed 4:0

Tab 7

Presentation- Agency Request Legislation

Brian Considine, Legal and Legislative Manager (LLM), presented the materials for this tab. LLM Considine presented the agency request legislation and asked if there were any proposed changes or questions. There were none.

Commissioner Patterson asked if the agency could request an extension of the due date for the prevalence study and the final report that will be submitted to the Legislature. As chair of the Problem Gambling Task Force, Commissioner Patterson is asking the Commission to make this request on behalf of the task force.

Commissioner Patterson asked Director Trujillo for his thoughts on asking the Governor if he to grant the task force extra time to finish the work. **Director Trujillo** offered to draft a letter of support or they could add to agency budget requests. He stated that before the next commission meeting, he would have a draft letter of support and, upon approving, we could have it ready for signature by the end of the meeting.

LLM Considine also offered that it does not need to be in a budget package since both requirements are already in law, approved by the Governor in signing the budgets with the prevalence study and task force, it could be difficult to add the two budget requests to the agency's budget package because the deadline for submission was the next Monday. However, the agency could send a letter to Legislative budget chairs and begin talking with key legislators before the session about extended the deadline. Then, closer to session, he could work with Gambling Commission and Health Care Authority Staff to submit to the budget chairs and legislative staff proposed budget language that would extend both deadlines.

Commissioner Patterson stated that she did not realize the deadline was so soon and was satisfied with a plan to send a letter without submitting the request as part of the agency's budget package.

Commissioner Patterson moved to approve the agency request legislation proposal and file the proposed agency request legislation as proposed by staff.

Commissioner Levy seconded the motion.

The motion passed 4:0

Commissioner Patterson gave a brief update on the Problem Gambling Task Force and said they will meet in September to work on the set of proposals for potential legislation recommendations. They won't be formally adopted in September, but they will be discussed in full. She mentioned that the task force has been working very hard and they've come forward with some excellent ideas. Commissioner Patterson will present to the October Gambling Commission meeting.

Senator Conway reminded everyone that the Labor and Commerce Committee will hold a work session on September 29 at 4:00 PM.

Chair Sizemore asked for public comment. There was no public comment.

Chair Sizemore announced that the next commission meeting would be October 15 and to keep checking the website for current information.

The September meeting adjourned at 4:22 PM.