



**WASHINGTON STATE  
GAMBLING COMMISSION PUBLIC  
MEETING - February 2021**

Gambling Commission Headquarters  
Lacey, WA

## COMMISSIONERS



Bud Sizemore  
Chair



Julia Patterson  
Vice Chair

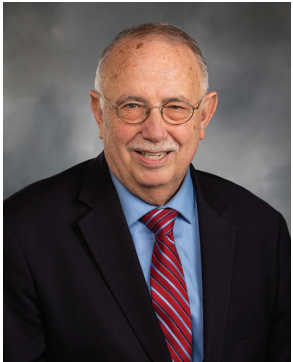


Alicia Levy



Lauren King

## EX OFFICIOS



Senator  
Steve Conway



Senator  
Jeff Holy



Representative  
Shelley Kloba



Representative  
Brandon Vick



David Trujillo  
Director

## STAFF



### Washington State Gambling Commission

P.O. Box 42400 | Olympia, WA 98504-2400

(360) 486-3469 | (800) 345-2529 | [www.wsgc.wa.gov](http://www.wsgc.wa.gov)



WAGamblingCommission



WAGambling



wagambling



STATE OF WASHINGTON

GAMBLING COMMISSION

“Protect the Public by Ensuring that Gambling is Legal and Honest”

February 11, 2021 Gambling Commission Meeting Agenda

[Click here to join the meeting](#)

Please note, agenda times are estimates only. Items may be taken out of sequence at the discretion of the Chair. Commissioners may take action on business items. Administrative Procedures Act Proceedings are identified by an asterisk (\*)

PUBLIC MEETING

9:30-12:30

Executive Session – Closed to the Public

Bud Sizemore, Chair

Discuss potential agency litigation with legal counsel, including tribal negotiations.

Tab 1  
1:00

Call to Order

Bud Sizemore, Chair

\*Consent Agenda

(Action)

- January 14, 2021 Commission Meeting Minutes
- New Licenses and Class III Employees Licenses

Director Report

- 2019 HBCR Financial Statement Summary

Tab 2

\* RULE UP FOR FINAL ACTION

(Action)

Staff Proposed Rules

- Bundling and selling raffle tickets at a discount.

Ashlie Laydon, Rules Coordinator

Tab 3

Legislative Update

Brian Considine, Legal and Legislative Manager

Public Comment can be provided:

- Before and during the Commission meeting you may email [Julie.Anderson@wsgc.wa.gov](mailto:Julie.Anderson@wsgc.wa.gov) ; or
- During the meeting you may use the Microsoft Office Teams Chat Box;
- If you are attending the meeting by phone, we will offer you an opportunity to comment.

Adjourn

Upon advance request, the Commission will pursue reasonable accommodations to enable persons with disabilities to attend Commission meetings. Questions or comments pertaining to the agenda and requests for special accommodations should be directed to Julie Anderson, Executive Assistant at (360) 486-3453 or TDD (360) 486-3637. Questions or comments pertaining to rule changes should be directed to the Ashlie Laydon, Rules Coordinator (360) 486-3473. Please silence your cell phones for the public meeting



STATE OF WASHINGTON  
**GAMBLING COMMISSION**

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

**January Gambling Commission Meeting Minutes**

Gambling Commission Headquarters

**Virtual Meeting**

**\*January 14, 2021**

**Commissioners Present:**

**Bud Sizemore, Chair (Via Teams)**

**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; Ashlie Laydon, Rules Coordinator; and Matt Kernutt, Assistant Attorney General.

**Public Meeting Call to Order**

**Chair Sizemore** called the virtual meeting to order at 9:36 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. Chair Sizemore announced that the public meeting would reconvene at 1:00 PM.

Executive session adjourned at 12:30 PM. The commissioners took a break until 1:00 PM.

**Public meeting reconvened at 1:05 PM.**

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

There were 84 people who attended the virtual meeting.

**Tab 1**

**Consent Agenda**

***Commissioner King moved to approve the consent agenda as presented.***

***Commissioner Patterson seconded the motion.***

***The motion passed 4:0***

\* 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.

## **Director's Report**

**Director Trujillo** announced that Assistant Attorney General (AAG) Matt Kernutt would be representing the Commission at this meeting. AAG Suzanne Becker will return for the February meeting. He also mentioned that the Gambling Commission is still short one commissioner but expects to have the seat filled soon. Director Trujillo updated the Commissioners on the recent uniformed presence of the national guard, state patrol and Thurston County deputies at capitol campus. Director Trujillo will be attending virtual weekly general government agency cabinet meetings during session. Lastly, Director Trujillo mentioned that the agencies financial update would be brought to the commission every three months or sooner if needed.

## **Tab 2**

### **Presentation – Perry Technical Foundation**

#### **Tyna Antonson, Special Agent (SA) and Christine Cote, Perry Technical Foundation**

**President** presented the materials for this tab. Washington State Gambling Commission rules require licensees to get commission approval prior to offering a raffle prize that exceeds \$40,000 and/or offering raffle prizes that exceed \$300,000 in a licensee year, WAC 230-11-067. Staff recommends approval for Perry Technical Foundation to offer a raffle prize in excess of \$40,000 and offer raffle prizes over \$300,000.

**Chair Sizemore** asked about the timeline for the winner to produce taxes for the house and further asked if the timeline could be changed to April 2022 rather than March 2022 giving the winner one more month. Christine Cote agreed with that change. Chair Sizemore modified the raffle rules motion.

**Chair Sizemore** asked for public comment. There was no public comment. Julie Anderson confirmed no activity in the chat room and no emails for public comment.

*Commissioner Patterson moved to approve Perry Technical Foundation to offer a raffle prize in excess of \$40,000 and to exceed the annual raffle prize of \$300,000 for their license year ending June 30, 2022 so long as they have a valid license with the Washington State Gambling Commission.*

*Commissioner Levy seconded the motion.*

*The motion passed 4:0*

## **Tab 3**

### **Rule Petition for Discussion and Possible Filing – Recording Live Play**

**Ashlie Laydon, Rules Coordinator (RC)**, presented the materials for this tab. RC Laydon played a short video from another jurisdiction as an example of what the licensee is proposing, summarized the petition, and gave staff's recommendation to deny the petition based on the policy concerns identified in the materials. Then, the petitioner **Freddie Siyufy** presented to the commissioners his petition and why he believed they should accept it for rule-making.

After Mr. Siyufy's presentation, **Commissioner Lauren King** asked if anything that was just mentioned in the presentation alleviated any staff concerns. **RC Laydon** deferred the question to Assistant Director (AD) Tina Griffin. **AD Griffin** said that an attorney would have to weigh in on the definition of gambling equipment. She also said she does not have issues with the other items listed but still has some concerns with third party wagering, because there's going to be

much activity at that table, though it's not going to be live streamed. Also, the cardroom licensees, will need to give their input. And she does not feel it would alleviate many, if not any, of the policy considerations outlined. Commissioners didn't have any further questions.

*Commissioner King moved to deny petition in writing for the reasons stated by Gambling Commission staff, including that observers or third parties may wager amongst themselves on how the player will wager, or on the outcome of the player's hand. People recording will enter areas of the licensee's establishment that are prohibited by the general public. And licensees or the public may offer incentives such as credit to recorded players to increase marketing and viewership for their facility. I'd also mentioned the potential conflict with the RCW and issues of problem gaming. I would add that as the Gambling Commission staff mentioned the petitioner can resubmit his petition once it better describes the activities that address staff's concerns.*

*Commissioner Patterson seconded the motion.*

*The motion passed 4:0*

**Commissioner Patterson** said, *“I appreciate the petitioner's collaborative attitude and I understand that there are many possible factors that need to be considered in order for us to ever be able to move forward with this. There are a lot of policy considerations which Commissioner King articulated and, we are incredibly busy right now with sports wagering and with problem gambling and many other things. But if the petitioner comes back and if what he is requesting is better defined and if there seems to be industry wide support, and if we have time I, for one, would be willing to entertain this proposal again at a later time. But for now, I will support the motion that's before us.”*

**Chair Sizemore** was reminded this agenda item was not opened up for public comment. Chair Sizemore then asked for public comment and said they could revisit the motion and vote if there is public comment supporting a different position.

There was no public comment. **Julie Anderson** confirmed no activity in the chat room and no emails for public comment.

The Commissioner's maintained their vote and **Director Trujillo** spoke to the petitioner and agreed to check in with him soon.

#### **Tab 4**

##### **Rule Petition up for Discussion and Possible filing – Online Raffles**

**RC Laydon** presented the materials for this tab and informed the Commissioners that the Petitioner Patrick McBurney would not be present for the hearing. There were no further comments from commissioners after RC Laydon presented a summary and the Petitioner's reasoning for bringing forward the petition.

**Chair Sizemore** asked for public comment. **Julie Anderson** confirmed no activity in the chat room and no emails for public comment.

*Commissioner Patterson moved to deny the petition as the Washington State Gambling Commission does not have the authority to authorize changes. It must go to the legislature for approval.*

*Commissioner Levy seconded the motion.  
The motion passed 4:0*

**Tab 5**

**Rule up for Discussion and Possible filing – Sports Wagering Pre-Licensing Qualification**

**Brian Considine**, Legal and Legislative Manager (LLM), presented the materials for this tab. LLM Considine also summarized the public comments submitted to the agency and found in the Commission packet. LLM Considine indicated the Commissioners may call a special meeting to act on these rules after February 23, 2021 or act on it at their March 11, 2021 regularly scheduled public meeting.

**Chair Sizemore** asked for public comment and there was no public comment. **Julie Anderson** confirmed no activity in the chat room and no emails for public comment.

*Commissioner Patterson moved to approve this rule for further discussion.  
Commissioner Levy seconded the motion.  
The motion passed 4:0*

**Tab 6**

**Rule up for Final Action – Pull-Tab Prize Limits**

**Ashlie Laydon**, Rules Coordinator (RC), presented the materials for this tab.

**Chair Sizemore** asked for public comment. **Julie Anderson** confirmed no activity in the chat room and no emails for public comment.

*Commissioner King moved to approve this rule for final action.  
Commissioner Levy seconded the motion.  
The motion passed 4:0*

**Tab 7**

**Rule up for Final Action – Scientific Definition**

**Ashlie Laydon**, Rules Coordinator (RC), presented the materials for this tab. Commissioners voted unanimously to approve this rule to amend language using scientific as a qualified topic for nonprofits as authorized in RCW 9.46.0209

**Chair Sizemore** asked for public comment. **Julie Anderson** confirmed no activity in the chat room and no emails for public comment.

*Commissioner Patterson moved to approve this rule for final action.  
Commissioner King seconded the motion.  
The motion passed 4:0*

**Tab 8**

**Legislative Update**

**LLM Considine** presented the materials for this tab. **LLM Considine** summarized how the 2021 session is going and the interesting factors related to it being a virtual session this year. LLM Considine briefed Commissioners on the materials in the packet. He also briefed them on the addendum materials for SB 5212, sports wagering at card rooms/race tracks.

Commissioners voted unanimously for Washington State Gambling Commission (WSGC) to support HB 1022 in support of the Washington Horse Racing Commission.

Commissioners also voted unanimously that the WSGC should support budget proviso(s) necessary to extend the Problem Gambling Task Force and its final report and the problem gambling prevalence study until 2022.

**Chair Sizemore** asked for public comment.

**Dora Smith, Chair of the Yakama Nation Gaming Commission** addressed the commission and thanked them for their time. She said “Since the COVID 19 has set in our State I've not been able to attend any of the meetings and I thought I better sit in and find out the status of the sports wagering legislation and I didn't realize that Maverick had submitted another bill until I began to do research on my laptop and found it as an attachment. So, it was interesting to read it.” She asked if LLM Considine would continue to keep her and the Yakama Nation in the loop as to the status and progress for the projected timeline. She continued to say, “I wanted to find out about the hundred-thousand-dollar license fee that is in that bill in the legislative press releases on the Washington State Gambling Commission website. It refers to the tribes having a \$500 000 license application fee for sports wagering and that's a huge difference.” **Chair Sizemore** thanked Chair Smith for her comment and reminded everyone to seek information on bills and upcoming virtual hearing from their lobbyists or other entities. We have an open line of communication with the government to government relations. **Director Trujillo** thanked Chair Smith for participating today.

Commissioners discussed SB 5212, sports wagering for card rooms and horse racetracks. This bill would authorize retail and online sportsbooks for current card room and horse track licensees. The Commission is neutral on the bill but has concerns on the many technical issues within the bill and further review of the problem gambling funding mechanism.

**LLM Considine** reminded Chair Sizemore and commissioners that February 15 would be the first cutoff date so commissioners would have another opportunity to revisit SB 5212 before acting.

**Commissioner Patterson** said, “from the conversation today that the bill as is would not meet our standard of meeting both the five pillars and being constructed in a way for us to have a good regulatory framework to work from.”

**Commissioner King** indicated that maybe the Commission should consider opposing the bill due to our concerns and that it's not technically sound. Discussion about this idea occurred and ultimately staying neutral was the preferred approach. However, LLM Considine and the Commissioners stated the position possibly should change if the bill gets out of committee without amending it to alleviate all of our concerns.

**Chair Sizemore** opened the floor for public comment. There was no more public comment.



**Chair Sizemore** reminded the commissioners and the public that the next virtual public meeting would be February 11, 2021 and to continue checking the website for the most current information.

The January meeting adjourned at 2:24 PM.



COMMISSION APPROVAL LIST  
(New Licenses & Class III Gaming Employees)  
February 2021

Index

	<u>PAGE</u>
NONPROFIT ORGANIZATIONS & COMMERCIAL BUSINESSES.....	1
DISTRIBUTOR REPRESENTATIVE.....	2
MANUFACTURER REPRESENTATIVE .....	2
NON-PROFIT GAMBLING MANAGER.....	2
SERVICE SUPPLIER REPRESENTATIVE.....	3
CARD ROOM EMPLOYEE .....	3-4
CLASS III GAMING EMPLOYEES .....	5-11

PAGES:11

Based upon the licensing investigations, staff recommends approving all new Licenses and Class III employees listed on pages 1 to 11.



## HOUSE-BANKED PUBLIC CARD ROOM REPORT

<b>Licensed and Operating</b>		<b>30</b>			
	City	Commission Approval Date	License Expiration Date	Org #	License #
BLACK PEARL RESTAURANT & CARD ROOM	SPOKANE VALLEY	Jan 10, 2013	Sep 30, 2021	00-22440	67-00321
BUZZ INN STEAKHOUSE/EAST WENATCHEE	EAST WENATCHEE	Oct 10, 2002	Dec 31, 2021	00-11170	67-00183
CASINO CARIBBEAN	YAKIMA	Nov 14, 2019	Sep 30, 2021	00-24513	67-00342
CASINO CARIBBEAN	KIRKLAND	Nov 14, 2019	Sep 30, 2021	00-24512	67-00341
CHIPS CASINO/LAKEWOOD	LAKEWOOD	Apr 8, 1999	Dec 31, 2021	00-17414	67-00020
CLEARWATER SALOON & CASINO	EAST WENATCHEE	Feb 14, 2019	Dec 31, 2021	00-24296	67-00339
COYOTE BOB'S CASINO	KENNEWICK	Jul 10, 2009	Mar 31, 2021	00-21848	67-00282
CRAZY MOOSE CASINO II/MOUNTLAKE TERRACE	MOUNTLAKE TERRACE	Jul 10, 2009	Mar 31, 2021	00-21849	67-00283
CRAZY MOOSE CASINO/PASCO	PASCO	Jul 10, 2009	Mar 31, 2021	00-21847	67-00281
FORTUNE CASINO - RENTON	RENTON	Jan 8, 2015	Sep 30, 2021	00-23339	67-00327
FORTUNE CASINO - TUKWILA	TUKWILA	Oct 8, 2015	Jun 30, 2021	00-23465	67-00329
GOLDIE'S SHORELINE CASINO	SHORELINE	May 13, 1999	Dec 31, 2021	00-17610	67-00016
GREAT AMERICAN CASINO/EVERETT	EVERETT	Nov 12, 1998	Dec 31, 2021	00-19513	67-00194
GREAT AMERICAN CASINO/LAKEWOOD	LAKEWOOD	Aug 14, 2003	Jun 30, 2021	00-19258	67-00184
GREAT AMERICAN CASINO/TUKWILA	TUKWILA	Jan 15, 1998	Sep 30, 2021	00-12554	67-00012
IRON HORSE CASINO	AUBURN	Jan 9, 2003	Dec 31, 2021	00-19477	67-00192
JOKER'S CASINO SPORTS BAR & FIESTA CD RM	RICHLAND	Nov 12, 1998	Dec 31, 2021	00-15224	67-00006
LILAC LANES & CASINO	SPOKANE	Jul 12, 2007	Jun 30, 2021	00-21305	67-00267
MACAU CASINO	TUKWILA	Nov 14, 2019	Sep 30, 2021	00-24514	67-00344
MACAU CASINO	LAKEWOOD	Nov 14, 2019	Sep 30, 2021	00-24516	67-00345
NOB HILL CASINO	YAKIMA	Sep 12, 2001	Dec 31, 2021	00-13069	67-00173
PALACE CASINO LAKEWOOD	LAKEWOOD	Jan 14, 1999	Dec 31, 2021	00-16542	67-00028

<b>Licensed and Operating</b>			<b>30</b>		
	<b>City</b>	<b>Commission Approval Date</b>	<b>License Expiration Date</b>	<b>Org #</b>	<b>License #</b>
PAPAS CASINO RESTAURANT & LOUNGE	MOSES LAKE	Aug 13, 1998	Jun 30, 2021	00-02788	67-00004
RIVERSIDE CASINO	TUKWILA	Aug 14, 2003	Jun 30, 2021	00-19369	67-00187
ROMAN CASINO	SEATTLE	Feb 10, 2000	Mar 31, 2021	00-17613	67-00057
ROXY'S BAR & GRILL	SEATTLE	Nov 18, 2004	Jun 30, 2021	00-20113	67-00231
ROYAL CASINO	EVERETT	Sep 9, 2010	Jun 30, 2021	00-22130	67-00301
SILVER DOLLAR CASINO/MILL CREEK	BOTHELL	Sep 9, 2010	Jun 30, 2021	00-22131	67-00302
SILVER DOLLAR CASINO/RENTON	RENTON	Sep 9, 2010	Jun 30, 2021	00-22134	67-00305
SILVER DOLLAR CASINO/SEATAC	SEATAC	Sep 9, 2010	Jun 30, 2021	00-22128	67-00299

<b>Licensed but Not Currently Operating</b>			<b>13</b>		
	<b>City</b>	<b>Commission Approval Date</b>	<b>License Expiration Date</b>	<b>Org #</b>	<b>License #</b>
ALL STAR CASINO	SILVERDALE	Jan 14, 1999	Jun 30, 2021	00-18357	67-00058
CARIBBEAN CARDROOM	KIRKLAND	Nov 14, 2019	Sep 30, 2021	00-24515	67-00343
CLUB HOLLYWOOD CASINO	SHORELINE	Sep 9, 2010	Jun 30, 2021	00-22132	67-00303
EMERALD DOWNS	AUBURN	May 11, 2017	Mar 31, 2021	00-23814	67-00335
HAWKS PRAIRIE CASINO	LACEY	Jul 12, 2001	Jun 30, 2021	00-17579	67-00091
LANCER LANES/REST AND CASINO	CLARKSTON	Nov 13, 2008	Sep 30, 2021	00-21681	67-00276
LAST FRONTIER	LA CENTER	Feb 11, 1999	Sep 30, 2021	00-11339	67-00055
RC'S AT VALLEY LANES	SUNNYSIDE	Nov 16, 2017	Mar 31, 2021	00-16220	67-00336
SLO PITCH PUB & EATERY	BELLINGHAM	Aug 12, 1999	Jun 30, 2021	00-16759	67-00038
THE PALACE	LA CENTER	Apr 9, 1998	Jun 30, 2021	00-16903	67-00010
WILD GOOSE CASINO	ELLENSBURG	Apr 8, 2004	Dec 31, 2021	00-20009	67-00212
WIZARDS CASINO	BURIEN	Feb 11, 2010	Dec 31, 2021	00-21998	67-00287
ZEPPOZ	PULLMAN	Nov 13, 2008	Mar 31, 2021	00-18777	67-00209

**Applications Pending****1**

	City	Commission Approval Date	License Expiration Date	Org #	License #
LUCKY DRAGONZ CASINO	SEATTLE			00-23001	67-00323

ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

**NEW APPLICATIONS**

**BINGO**

FOE 00204  
00-00026 01-00756

1208 N WENATCHEE AVE  
WENATCHEE WA 98801

**RAFFLE**

FRENCH-AMERICAN SCHOOL OF PUGET SOUND  
00-18361 02-08190

3795 E MERCER WAY  
MERCER ISLAND WA 98040

LOPEZ CHILDREN'S CENTER  
00-24705 02-21149

PO BOX 867  
LOPEZ WA 98261

MOUNT VERNON/SKAGIT ROTARY CHARITABLE ASSOCIAT  
00-24706 02-21150

PO BOX 2174  
MT VERNON WA 98273

SOROPTIMIST INTERNATIONAL OF FRIDAY HARBOR  
00-23450 02-09563

PO BOX 2856  
FRIDAY HARBOR WA 98250

ST MARY MAGDALEN SCHOOL  
00-23232 02-09436

8615 7TH AVE SE  
EVERETT WA 98208

YOUTH OUTDOORS UNLIMITED  
00-23086 02-09344

1373 RD F 2  
MOSES LAKE WA 98837

**PUNCHBOARD/PULL-TAB COMMERCIAL STIMULANT**

JOHNNY'S EMPIRE CLUB & PUB  
00-24699 05-21699

845 VALLEY MALL PKWY  
EAST WENATCHEE WA 98802

PERSON'S NAME  
LICENSE NUMBER

EMPLOYER'S NAME  
PREMISES LOCATION

**NEW APPLICATIONS**

**DISTRIBUTOR REPRESENTATIVE**

CARROLL, DANIEL V  
22-01295

NRT TECHNOLOGIES INC  
LAS VEGAS NV 89118

DERHOUSOFF, DUSTIN D  
22-01294

NRT TECHNOLOGIES INC  
LAS VEGAS NV 89118

**MANUFACTURER REPRESENTATIVE**

ALLEN, BRIAN S  
23-03151

EVERI PAYMENTS INC  
LAS VEGAS NV 89113-2175

COOK, HEIDI C  
23-03146

ARISTOCRAT TECHNOLOGIES INC  
LAS VEGAS NV 89135

DECOUX, WILLIAM E  
23-00940

SCIENTIFIC GAMES  
LAS VEGAS NV 89119

FOSTER, CHRISTINE M  
23-02697

EVERI PAYMENTS INC  
LAS VEGAS NV 89113-2175

GARCIA, PEEJAY M  
23-03149

ARISTOCRAT TECHNOLOGIES INC  
LAS VEGAS NV 89135

KLEIN, RICHARD M  
23-03150

EVERI PAYMENTS INC  
LAS VEGAS NV 89113-2175

NESRELDIN, ESSAM F  
23-03148

IGT  
LAS VEGAS NV 89113

RIEMER, WILLIAM D  
23-03147

IGT  
LAS VEGAS NV 89113

SUBRAMANIAM, MUTHUKUMARAN  
23-03152

SCIENTIFIC GAMES  
LAS VEGAS NV 89119

**NON-PROFIT GAMBLING MANAGER**

BROWN, DENNIS N  
61-04743

FOE 01550  
CHEHALIS WA 98532

PERSON'S NAME  
LICENSE NUMBER

EMPLOYER'S NAME  
PREMISES LOCATION

### NEW APPLICATIONS

#### SERVICE SUPPLIER REPRESENTATIVE

INGABIRE, STACY  
63-00953

MAVERICK WASHINGTON  
KIRKLAND WA 98034

UNGER, LINDSEY R  
63-00954

MAVERICK WASHINGTON  
KIRKLAND WA 98034

WOODS, ARIEL L  
63-00909

MAVERICK WASHINGTON  
KIRKLAND WA 98034

#### CARD ROOM EMPLOYEE

BANKS, RHOHANA M  
68-35914

B

ROXY'S BAR & GRILL  
SEATTLE WA 98126

BOLINGER, NATHAN L  
68-35920

B

FORTUNE POKER  
RENTON WA 98057

CARTER, MICHAEL S  
68-04548

B

MACAU CASINO  
TUKWILA WA 98188

CASTANEDA, CHARLES J  
68-34552

B

JAMESTOWN SALOON  
ARLINGTON WA 98223

CASTILLO, ALMA L  
68-35589

B

CASINO CARIBBEAN  
YAKIMA WA 98901

CHAMBERS, JABARI M  
68-35892

B

ROMAN CASINO  
SEATTLE WA 98178

CHAU, BUNTHON C  
68-35918

B

MACAU CASINO  
LAKEWOOD WA 98499-4457

FATUTOA, VITO B  
68-35919

B

FORTUNE CASINO - TUKWILA  
TUKWILA WA 98168

GLOWEN, AUDRA L  
68-35911

B

LILAC LANES & CASINO  
SPOKANE WA 99208-7393

HATLEY, LESA L  
68-17470

B

FORTUNE CASINO - RENTON  
RENTON WA 98055

HOOD, DEWITT  
68-32807

B

GREAT AMERICAN CASINO/LAKEWOOD  
LAKEWOOD WA 98499

HURST, DUSTIN K  
68-35922

B

JOKER'S CASINO SPORTS BAR & FIEST  
RICHLAND WA 99352-4122



PERSON'S NAME  
 LICENSE NUMBER

EMPLOYER'S NAME  
 PREMISES LOCATION

**NEW APPLICATIONS**

**CARD ROOM EMPLOYEE**

JONES, ARTHUR 68-35908	B	FORTUNE CASINO - RENTON RENTON WA 98055
JULIAN, TITO A 68-25627	B	MACAU CASINO TUKWILA WA 98188
LANCASTER, AMBER L 68-35912	B	COYOTE BOB'S CASINO KENNEWICK WA 99336
LEE, CHENG K 68-25199	B	ROMAN CASINO SEATTLE WA 98178
LEE, JOAN 68-35909	B	ROMAN CASINO SEATTLE WA 98178
SHARP, ERIKA J 68-35915	B	PALACE CASINO LAKEWOOD LAKEWOOD WA 98499-8434
UOK, RUTHANAK 68-35916	B	CHIPS CASINO/LAKEWOOD LAKEWOOD WA 98499
WHITE, ROBERT J 68-35913	B	ROXY'S BAR & GRILL SEATTLE WA 98126

PERSON'S NAME  
LICENSE NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**CHEHALIS CONFEDERATED TRIBES**

BURGESS, MIRANDA C  
69-49584

MCGILL, RICHARD M  
69-49519

SANCHEZ, STORMIE A  
69-36699

**COLVILLE CONFEDERATED TRIBES**

ALVAREZ, JOSE A  
69-49645

BALLESTEROS, JESSILEE I  
69-39338

FAUST, TAYLOR J  
69-49644

RAMSEY, SAMANTHA L  
69-39801

SMITH, SIVILA J  
69-49674

**COWLITZ INDIAN TRIBE**

AH-YEK, KIARA M  
69-47917

BOUCHARD, CARIN R  
69-49590

**KALISPEL TRIBE**

AZURE, EUGENE H JR  
69-49574

BLATCHFORD, SHARON T  
69-31942

BONNEVILLE, MITCHELL J  
69-49578

BOWMAN, KATIE A  
69-30187

CATRON, KAYLEE A  
69-49630

GAMEZ, ELANI A  
69-49629

JELENIOWSKI, WHITNEY M  
69-49575

KILAYKO, MITCHELL L  
69-49643

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**KALISPEL TRIBE**

MCCAUGHEY, SKYLYNNE M  
69-49607

MOORE, ERIN D  
69-49679

NETZ, NATHAN L  
69-49608

PARKS, DANIEL C  
69-36978

POLYAK, GEORGE J  
69-49678

SEARLS, DRU F  
69-49576

SERRANO, ANGELA N  
69-49631

VILLANUEVA, SKYLER D  
69-49577

**LUMMI NATION**

CONLAN, JUSTIN W  
69-49623

NEVINS, JACOB B  
69-49599

REVEY, FARREN M  
69-49620

RONK, DAULTON R  
69-49646

WILLIAMS, JOSHUA D  
69-40453

WILLIAMS, TREVIN A  
69-49622

**MUCKLESHOOT INDIAN TRIBE**

CROSS, JAMES M JR  
69-49625

DELA VEGA KABAMBA, MELISSA B  
69-44459

ERICKSON, GINA R  
69-49568

KRUEGER, MICHAEL A  
69-49626

MOORE, WENDY S  
69-49572

OLSEN, MELISSA R  
69-49573

**NISQUALLY INDIAN TRIBE**

DURST, DAVID C  
69-49158

RED FISH, NATHANIEL P  
69-49594

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**NISQUALLY INDIAN TRIBE**

RUN, MIRIAM  
69-40443

SCOTT, STEPHANIE J  
69-49569

STYF, CYANNE N  
69-49596

ZACHARCZYK, SARA O  
69-49595

**PORT GAMBLE S'KLALLAM TRIBE**

DECOTEAU, SIERRA K  
69-49506

HAM, BELINDA P  
69-49600

WION, TIFFANY M  
69-15315

**PUYALLUP TRIBE OF INDIANS**

ALANO, LESTER J  
69-49562

AVILA, RYAN G  
69-49604

BARKER, HOLLI J  
69-49587

BARNETT, JOHN E  
69-49601

BOYD, DEONSHA  
69-49669

BRITTEN, MICHAEL T  
69-49639

CHANEY, EUGENE R  
69-49635

COATES, NICHOLAS A  
69-49632

COMRAS, RYAN M  
69-49609

CROWNHART, SUZANNE-NICHELLE S  
69-49602

DELA CRUZ, ROVELYN S  
69-49610

FAGAAUTAU, ADLEY L  
69-49649

FAULKNER, VERONICA H  
69-49671

GORE, CODY N  
69-49650

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**PUYALLUP TRIBE OF INDIANS**

HAYES, BENJAMIN J  
69-37261

JORDAN, DAMIEN E  
69-49672

LOPEZ, JAIME  
69-49603

LOWER, MELANIE C  
69-49684

MCCANE, YAN D  
69-49673

MCCARTY, JENNIFER R  
69-49586

MCDANIELSSHEARS, TAYLOR C  
69-49638

MEACH, RY  
69-49682

MUNOZ, DANIEL J  
69-49564

PABLO, KROY V  
69-49570

PETERS, TYLER D  
69-49683

PUTH, SUNNY B  
69-49565

RODWELL, CHARLES W  
69-49611

ROMERO-PEREZ, MICHAEL R  
69-49571

STEPHENS, ROBERT L III  
69-49589

STEWART STARR, ELLIS M  
69-49648

TEVIS, PATRICK K  
69-49633

THURMON, TROY  
69-49588

WHITE, GIOVONNI E  
69-49670

WOODARD, RYAN M  
69-49598

YAMBAO, MARILOU Y  
69-49563

**QUINAULT NATION**

PURDY, VERONICA C  
69-49497

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**SKOKOMISH TRIBE**

MANTESTA, GERARD J  
69-49597

**SNOQUALMIE TRIBE**

PROCK, JENNIFER M  
69-16340

**SPOKANE TRIBE**

FERGUSON, JEFFREY T  
69-49538

MEYER, RYAN M  
69-49628

RUEPPEL, STEPHEN P  
69-49619

SKENANDORE, THOMAS C  
69-20455

**SQUAXIN ISLAND TRIBE**

CARROLL, JASON S  
69-49618

HO, TAM D  
69-49553

LENTES, RICHARD E III  
69-49529

LUTTRELL, FOREST R  
69-49621

SMITH, MARVIN L JR  
69-49552

TINNERSTET, JAY L  
69-49530

**STILLAGUAMISH TRIBE**

BIZYAYEV, VICTOR I  
69-49591

BRADLEY, KAELYNN C  
69-49605

BROCK, ERIN M  
69-49655

THOMAS, LUKE D  
69-49606

WARE, IAN N  
69-49624

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**SUQUAMISH TRIBE**

VIGNOLO, JOSHUA A  
69-49547

**SWINOMISH INDIAN TRIBAL COMMUNITY**

CONTA, AMEDEO A  
69-49566

**THE TULALIP TRIBES**

ALVARADO, BAOYEN T  
69-47296

ATKINS, SARAH L  
69-07205

BEKELE, MAKDA T  
69-45678

ELLIS, RALPH O II  
69-40106

FULTON, URIAH A  
69-44687

GEORGE, CHERLYNN  
69-49617

JENSEN, CRYSTAL L  
69-46335

MAURER, DAVID J  
69-39119

NUNLEY, SCOTT M  
69-11825

QUIMZON, PATRICK C  
69-23969

SCOTT, GREGORY A  
69-49627

WILKERSON, PHILIP V  
69-47104

**UPPER SKAGIT INDIAN TRIBE**

KING, MICHAEL B  
69-40547

**YAKAMA NATION**

BLODGETT, SOPHIE E  
69-49580

CASTELLANOS, KATHYA S  
69-49583

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**YAKAMA NATION**

EYLE, ARLITA S  
69-49567

FLORES ALVARADO, AZUCENA  
69-49634

GUERRA, JOSE H  
69-45497

HERNANDEZ, FRANK  
69-49582

NASH, FORREST G  
69-47829

PUYETTE, RACHEL J  
69-32100

ROCKEY, DANIELLE E  
69-49581





STATE OF WASHINGTON  
GAMBLING COMMISSION

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

January 26, 2021

**TO:**           **COMMISSIONERS**                           **EX OFFICIO MEMBERS**  
                  Bud Sizemore, Chair                           Senator Steve Conway  
                  Julia Patterson, Vice Chair                   Senator Jeff Holy  
                  Alicia Levy                                       Representative Brandon Vick  
                  Lauren King                                      Representative Shelly Kloba

**FROM:**       Jennifer LaMont, Agent in Charge  
                  Licensing Unit

**SUBJECT: House-Banked Card Room Summary of Activity Fiscal Year Ended 2019**

**Fiscal Year 2019 Information**

During the year ended December 31, 2019, there were 44 licensed house-banked card rooms. As of the date of this memo, one house-banked card room failed to submit their financial statements. Of the 43 that submitted their financial statements, 34 licensees reported a net income between \$3,761,690 and \$46,000; nine licensees reported net losses between (\$18,916) and (\$733,000).

Financial statements are prepared on the assumption that the business is a *going concern*, meaning that it will continue in operation for the foreseeable future. An auditor or reviewer who concludes that substantial doubt exists with regard to the going concern assumption is required to issue an opinion reflecting this concern. Of the 43 licensees that reported for year ended in 2019, two (representing 4.7%) had a going concern issue reflected in their financial statement report. Of the 45 licensees that reported for year ended in 2018, two (representing 4.4%) had a going concern issue reflected in their financial statement report.

The following is a comparison between 2018 and 2019.

	2018		2019	
	#	%	#	%
Licensees with positive Net Income	33	73%	34	79%
Licensees with Net Losses	12	27%	9	21%
Total	45	100%	43	100%

Range of Net Income	\$151,394 to \$5,164,902	\$46,000 to \$3,761,690
Range of Net Loss	(\$17,947) to (\$2,490,908)	(\$18,916) to (\$733,000)
# of Case Reports Written	3	4

Special Agents from the Licensing Unit have reviewed all the financial statements that were submitted. This year, the Unit initiated four case reports. These case reports were for failure to report loans and failure to submit financial statements.

Eight house-banked card room licensees reported leasing their premises from a party with like ownership. Twenty-one reported leasing their premise from an entity without any like ownership. Fourteen house-banked card room licensees own their premises.

Premise Ownership Status	Number	Annual Lease		
		Low	High	Average
Related Party Premises Ownership	8	\$24,000	\$964,000	\$407,939
No Related Party Premises Ownership	21	\$92,040	\$850,588	\$319,484
Own Their Premises	14	N/A	N/A	N/A

For fiscal year ended 2019, 43 house-banked card rooms submitted their financial statements compared to 45 for 2018. As of the date of this memo, the following changes have occurred with the house-banked card room licensees that reported for 2019:

- Two house-banked card rooms, Aces Casino Entertainment and Lucky 21, stopped operating and let their license lapse.
- One house-banked card room, The Getaway Casino, changed to a nonhouse-banked card room.

### **Background**

According to WAC 230-15-740, all house-banked card game licensees must submit financial statements within 120 days following the end of their business year.<sup>1</sup> Licensees are allowed a one-time, 60-day extension if needed, and the majority of the financial statements are received on or about June 30 of each year. Due to the COVID-19 pandemic, licensees were automatically extended the additional 60 days.

The type of financial statement licensees must submit is dependent upon the gross receipts from the card room:

---

<sup>1</sup>Some licensees do not have a fiscal year-end date of December 31.

<u>Gross Receipts for Fiscal Year End 2019</u>	<u>Type of Financial Statements Required</u>
Over \$6 million	Audit
Less than \$6 million but more than \$1 million	Review
Less than \$1 million	Compilation

Licenses are required to have the financial statements prepared by an independent, certified public accountant licensed by the Washington State Board of Accountancy and they must be prepared in accordance with generally accepted accounting principles, including all required footnotes or disclosures. The licensee is also required to report gross revenues for each licensed activity separately and present comparative statements.

In 2002, we began summarizing and posting on our website the financial statement information we collected from the house-banked card rooms. The financial statement summary provides users with the gross card room revenue as well as the overall net income or loss of the business.

The type of legal entity a licensee is (i.e. sole proprietor, corporation or LLC) will impact how some costs are recorded to determine the overall business's net income or loss. This means that you cannot necessarily compare the licensees in terms of their net income or loss reported based on similar gross receipt levels. For example, some licensees record an owner's salary as expenses while some owners take owner draws, which does not impact the net income or loss.

Attachment

Summary of House-Banked Card Room Financial Statements  
For the Fiscal Years Ending in 2019  
(Sorted by Licensee Net Income or (Loss))

Licensee	City	----- 2019 REVENUES -----		Total Revenue	Total Expenses	Net Income or (Loss)
		Card Room Revenue	Other Revenue			
		(1)	(2)		(3)	[4]
FORTUNE CASINO - RENTON	Renton	\$ 12,771,376	\$ 2,427,946	\$ 15,199,322	\$ 11,437,632	\$ 3,761,690
GREAT AMERICAN CASINO/EVERETT	Everett	\$ 5,477,000	\$ 1,335,000	\$ 6,812,000	\$ 3,719,000	\$ 3,093,000
RIVERSIDE CASINO	Tukwila	\$ 13,411,690	\$ 3,972,412	\$ 17,384,102	\$ 14,506,401	\$ 2,877,701
CRAZY MOOSE CASINO/PASCO	Pasco	\$ 4,623,000	\$ 1,274,000	\$ 5,897,000	\$ 3,799,000	\$ 2,098,000
GREAT AMERICAN CASINO/TUKWILA	Tukwila	\$ 4,373,000	\$ 1,327,000	\$ 5,700,000	\$ 4,123,000	\$ 1,577,000
BUZZ INN STEAKHOUSE/EAST WENATCH	East Wenatchee	\$ 3,585,898	\$ 2,753,824	\$ 6,339,722	\$ 4,896,117	\$ 1,443,605
GOLDIE'S SHORELINE CASINO	Shoreline	\$ 9,299,337	\$ 2,283,479	\$ 11,582,816	\$ 10,142,229	\$ 1,440,587
COYOTE BOB'S	Kennewick	\$ 2,769,000	\$ 550,000	\$ 3,319,000	\$ 2,153,000	\$ 1,166,000
CASINO CARIBBEAN/KIRKLAND	Kirkland	\$ 2,176,000	\$ 321,000	\$ 2,497,000	\$ 1,531,000	\$ 966,000
CHIPS CASINO/LAKEWOOD	Lakewood	\$ 8,206,001	\$ 1,689,201	\$ 9,895,202	\$ 8,954,789	\$ 940,413
SLO PITCH PUB & EATERY	Bellingham	\$ 2,703,331	\$ 2,517,521	\$ 5,220,852	\$ 4,398,886	\$ 821,966
JOKER'S CASINO SPORTS BAR & FIESTA	Richland	\$ 2,626,606	\$ 3,608,987	\$ 6,235,593	\$ 5,491,377	\$ 744,216
HAWKS PRAIRIE CASINO	Lacey	\$ 4,580,299	\$ 1,097,852	\$ 5,678,151	\$ 4,942,287	\$ 735,864
CRAZY MOOSE CASINO/MOUNTLAKE TERRACE	Mountlake Terrace	\$ 2,249,000	\$ 498,000	\$ 2,747,000	\$ 2,069,000	\$ 678,000
PALACE CASINO/LAKEWOOD	Lakewood	\$ 5,609,378	\$ 1,945,468	\$ 7,554,846	\$ 6,940,225	\$ 614,621
CASINO CARIBBEAN/YAKIMA	Yakima	\$ 1,247,000	\$ 570,000	\$ 1,817,000	\$ 1,260,000	\$ 611,000
ROMAN CASINO	Seattle	\$ 6,378,000	\$ 1,998,000	\$ 8,376,000	\$ 7,786,000	\$ 590,000
SILVER DOLLAR CASINO/SEATAC	SeaTac	\$ 2,471,000	\$ 1,067,000	\$ 3,538,000	\$ 3,046,000	\$ 492,000
THE PALACE/LACENTER	LaCenter	\$ 10,148,059	\$ 2,465,034	\$ 12,613,093	\$ 12,169,503	\$ 443,590
SILVER DOLLAR CASINO/MILL CREEK	Mill Creek	\$ 1,987,000	\$ 491,000	\$ 2,478,000	\$ 2,057,000	\$ 421,000
CARIBBEAN CARDROOM	Kirkland	\$ 666,000	\$ 217,000	\$ 883,000	\$ 513,000	\$ 370,000
BLACK PEARL RESTAURANT & CARD ROOM	Spokane	\$ 4,410,588	\$ 770,151	\$ 5,180,739	\$ 4,848,489	\$ 332,250
LILAC LANES & CASINO	Spokane	\$ 2,129,526	\$ 1,992,582	\$ 4,122,108	\$ 3,804,991	\$ 317,117
MACAU CASINO/LAKEWOOD	Lakewood	\$ 1,286,000	\$ 332,000	\$ 1,618,000	\$ 1,326,000	\$ 292,000
ALL STAR CASINO	Silverdale	\$ 3,696,459	\$ 4,769,425	\$ 8,465,884	\$ 8,187,599	\$ 278,285
FORTUNE CASINO - TUKWILA	Tukwila	\$ 6,109,811	\$ 1,592,286	\$ 7,702,097	\$ 7,438,280	\$ 263,817
GREAT AMERICAN CASINO/LAKEWOOD	Lakewood	\$ 2,654,000	\$ 873,000	\$ 3,527,000	\$ 3,275,000	\$ 252,000
MACAU CASINO/TUKWILA	Tukwila	\$ 858,000	\$ 593,000	\$ 1,451,000	\$ 1,260,000	\$ 191,000
LANCER LANES RESTAURANT AND CASINO	Clarkston	\$ 884,893	\$ 930,819	\$ 1,815,712	\$ 1,628,804	\$ 186,908
RC'S AT VALLEY LANES	Sunnyside	\$ 562,497	\$ 680,402	\$ 1,242,899	\$ 1,077,181	\$ 165,718
ZS RESTAURANT AT ZEPOZO	Pullman	\$ 1,060,664	\$ 2,544,866	\$ 3,605,530	\$ 3,443,638	\$ 161,892
NOB HILL CASINO	Yakima	\$ 2,732,277	\$ 1,434,401	\$ 4,166,678	\$ 4,048,789	\$ 117,889
ROYAL CASINO	Everett	\$ 1,732,000	\$ 580,000	\$ 2,312,000	\$ 2,223,000	\$ 89,000
SILVER DOLLAR CASINO/RENTON	Renton	\$ 2,568,000	\$ 891,000	\$ 3,459,000	\$ 3,413,000	\$ 46,000
ROXY'S BAR & GRILL	Seattle	\$ 3,136,985	\$ 2,485,313	\$ 5,622,298	\$ 5,641,214	\$ (18,916)
CLEARWATER SALOON & CASINO	Wenatchee	\$ 1,530,662	\$ 575,742	\$ 2,106,404	\$ 2,144,591	\$ (38,187)
PAPAS CASINO RESTAURANT & LOUNGE	Moses Lake	\$ 2,095,295	\$ 4,774,916	\$ 6,870,211	\$ 6,955,653	\$ (85,442)
ACES CASINO ENTERTAINMENT	Spokane	\$ 1,036,849	\$ 26,855	\$ 1,063,704	\$ 1,152,968	\$ (89,264)
WILD GOOSE CASINO	Ellensburg	\$ 646,492	\$ 263,549	\$ 910,041	\$ 1,003,502	\$ (93,461)
LAST FRONTIER	LaCenter	\$ 9,436,279	\$ 1,384,266	\$ 10,820,545	\$ 10,977,455	\$ (156,910)
CLUB HOLLYWOOD CASINO	Shoreline	\$ 1,873,000	\$ 616,000	\$ 2,489,000	\$ 2,759,000	\$ (270,000)
EMERALD DOWNS	Auburn	\$ 716,774	\$ 490,049	\$ 1,206,823	\$ 1,480,578	\$ (273,755)
WIZARDS CASINO	Burien	\$ 275,000	\$ 360,000	\$ 635,000	\$ 1,368,000	\$ (733,000)

**NOTE:** House-banked card room licensees must submit financial statements to the commission within 120 days after the end of their fiscal year. The financial statements include all gambling and non-gambling revenues and expenses of the licensee.

(1) Card Room Revenue is the gross revenue from the card room activity only. No other gambling activity revenues are included.

(2) Other Revenue is all revenues earned by the licensee other than from the card room, as defined above. This may include revenues from pull tabs, amusement games, food, beverage, and any other services/activities provided by the licensee.

(3) Total Expenses are all the expenses incurred by the licensee to operate their business during the fiscal year. Expenses may include such items as cost of sales, advertising, wages, utilities, depreciation, interest expenses, taxes, and Federal Income Tax Provisions.

(4) Net loss may include impairment of goodwill and loss on disposal of discontinued operations; net income may include debt forgiveness and gain on deconsolidation.

(5) Average Net Income (Net Loss) of those reporting:

	<u>Average</u>	<u>#</u>	<u>%</u>
Net Income	\$ 840,592	34	79%
Net Loss	\$ (195,437)	<u>9</u>	<u>21%</u>
Combined	\$ 623,749	43	100%

(6) This report is merely a summary of the financial information reported to us. The actual financial statements, footnotes, and auditor's report are an integral part of this information.



### Staff Proposed Rule-Making

WAC 230-11-025- Bundling and selling tickets at a discount.

WAC 230-11-055- Authorized alternative drawing formats.

**February 2021 – Final Action**

**December 2020 – Discussion & Possible Filing**

**January 2020 – Initiate Rule-Making**

**Tab 2: FEBRUARY 2021 Commission Meeting Agenda.**

**Statutory Authority 9.46.070**

#### Who Proposed the Rule Change?

Washington State Gambling Commission Staff

#### Background

**Bold = Changes made after December 2020 Commission meeting.**

At the January 2020 meeting, Commissioners initiated rule-making for raffles, specifically for staff to continue their review of raffle rules for bundling and selling tickets at a discount, alternative drawing formats, and progressive raffles. After thorough review, staff determined rules for progressive raffles are not needed at this time. **Staff brought draft language to the Commissioners for their review at the December 2020 meeting. This language is before you today for final action and looks to amend:**

- WAC 230-11-025- Bundling and selling tickets at a discount, to allow additional discount levels, and
- WAC 230-11-055- Authorized alternative drawing formats, to authorize two additional alternative drawing formats.

At the October 2019 Commission meeting, staff provided a raffle work session for the Commission. As part of that presentation, staff made some recommendations for potential rule changes. The Commission asked staff to prepare a summary of those recommendations.

Gambling Commission staff have been seeking input from stakeholders and staff regarding potential rule changes that could be proposed to assist nonprofit organizations. After discussing some of the obstacles nonprofits face when conducting raffles, staff proposes amending the following rules in regards to:

- Alternative drawing formats, and
- Bundling and selling tickets at a discount.

Staff also proposes adopting rules in regards to progressive raffles, such as “joker poker”.

Attachments:

- WAC 230-11-025
- WAC 230-11-055
- Stakeholder Feedback

<b>Stakeholder Outreach and Feedback</b>
<p>The proposed changes were made based on discussions with nonprofit organizations regarding obstacles they face when conducting raffles. Draft language was sent out to all organizations who hold a license to conduct raffles in the state on November 5, 2020. <b>Draft language was filed with the Office of the Code Reviser and published in the Washington State Register (WSR 21-02-070) and posted on our agency website. No further comments have been received.</b></p>
<b>Staff Recommendation</b>
<p><b>31 days after filing with the Office of the Code Reviser – expected on or about March 16, 2021.</b></p>

AMENDATORY SECTION (Amending WSR 06-20-040, filed 9/26/06, effective 1/1/08)

**WAC 230-11-025 Bundling and selling tickets at a discount.** (1) Licensees may put tickets together in a bundle and sell them at a discount level if they:

(a) Create the discount (~~(plan)~~) levels before selling any raffle tickets; and

(b) Do not change the discount (~~(plan)~~) levels during the raffle; and

(c) Make single nondiscounted tickets available to all participants; and

(d) Use (~~(only one)~~) up to three discount (~~(plan)~~) levels for each raffle; and

(2) Booklets of bundled discounted tickets must contain the number of tickets named in the discount (~~(plan)~~) levels; and

(3) Licensees must not remove tickets from a booklet to sell them individually; and

(4) Each booklet of bundled tickets must have the following information printed on the cover:

(a) A description of the discount (~~(plan)~~) levels; and

(b) The number of tickets in the booklet; and

(c) The total cost of the booklet; and

(d) A consecutive number; and

(5) Licensees must establish controls and accounting procedures necessary to determine gross gambling receipts from ticket sales.

AMENDATORY SECTION (Amending WSR 13-19-056, filed 9/16/13, effective 10/17/13)

**WAC 230-11-055 Authorized alternative drawing formats.** Except for enhanced raffles, licensees may use the following types of alternative drawing formats or similar random selection processes:

(~~(Mock races.)~~)

(1) Mock races. The licensee sells participants consecutively numbered tickets that identify a specific corresponding numbered mock animal(s), ball(s), or other similar object(s) that can use natural elements to move the objects (water, gravity, wind) in a race. All objects must be identical in weight, size, and shape, to have an equal opportunity to win. The licensee must release all objects simultaneously at a start line. The first numbered object to cross the finish line wins.

(~~(Poker runs.)~~)

(2) Poker runs. The licensee sells participants consecutively numbered tickets or poker tally sheets to participants. Participants travel a predetermined course with predetermined drawing stations (typically five drawing stations). At each drawing station, participants draw one playing card for each ticket purchased. Station attendants must verify the card drawn and record the card value on the poker ticket tally sheet. After all participants have completed the course, the participant with the best recorded poker hand wins.



~~((Ball drops.))~~

(3) Ball drops. The licensee sells participants consecutively numbered tickets that identify a specific corresponding numbered ball. All balls must be equal in size, weight, and shape, to have an equal opportunity to win. The licensee suspends all purchased numbered balls in the air and simultaneously releases them over a target zone. The ball, closest or first, to hit the predetermined target wins.

~~((Animal plops.))~~

(4) Animal plops. The licensee sells participants consecutively numbered tickets that identify a specific corresponding square on a numbered grid. The licensee releases the animal into the grid area until the animal has completed its plop. The numbered square containing the plop wins.

~~((Multiple stage drawings.))~~

(5) Multiple stage drawings. The licensee sells participants consecutively numbered tickets. The licensee uses multiple drawing phases to eliminate participants until the licensee declares the remaining ticket holder(s) the winner(s). The licensee may use second element of chance plans as long as the plans meet the criteria set out in WAC 230-11-060.

~~((Bucket raffles.))~~

(6) Bucket raffles. The licensee sells participants consecutively numbered tickets. Participants place their tickets into any number of separate buckets or other receptacles for separate prizes. We consider the multiple drawings one single raffle. If licensees use different tickets for each receptacle, we consider each drawing an individual raffle.

~~((Calendar raffles.))~~

(7) Calendar raffles. The licensee sells participants consecutively numbered calendars with removable stubs. The licensee places all sold calendar stubs into the drawing receptacle. On predetermined dates identified on the calendar, the licensee conducts drawings. The licensee places all winning stubs back into the drawing receptacle for future drawings.

(8) Heads/tails raffles. The licensee sells participants consecutively numbered tickets. Every participant who purchased a ticket stands up and places their hands on either their head or their tail. The licensee then flips a coin to determine heads or tails. Participants who selected the losing outcome (heads or tails) must sit down. The process is repeated until there is only one participant standing and they win the prize.

(9) Number raffles. The licensee sells participants consecutively numbered tickets. The participants select a number from a spot or square on a grid or from a list of numbers. The licensee then draws a number(s) that corresponds to the numbers on the grid or list to determine the winner(s).

## Laydon, Ashlie (GMB)

---

**From:** Kestell, Anna M. <AKESTELL@spokanecounty.org>  
**Sent:** Monday, November 9, 2020 12:35 PM  
**To:** Laydon, Ashlie (GMB)  
**Subject:** RE: Question re: raffles

This message has originated from an External Source. Please use caution when opening attachments, clicking links, or responding to this email. Contact your desktop support or IT security staff for assistance and to report suspicious messages.

Yes, thank you. I appreciate your clarification.

Anna

*Anna Kestell*  
*Education Coordinator*  
*Food Preservation/Safety*

WSU Extension, Spokane County  
222 N Havana, #205  
Spokane WA 99202-4799  
Email: akestell@spokanecounty.org  
Phone 509-477-2195  
Fax 509-477-2087

COVID-19 Advisory: WSU Extension is working to keep our communities safe. All Extension programming is being provided virtually, postponed, or canceled. Effective March 16, 2020, WSU Extension county offices and WSU Research & Extension Centers will be closed to the public. We are available via email, phone, and webconference.



Spokane County

WASHINGTON STATE UNIVERSITY  
EXTENSION

*Extension programs and policies are consistent with federal and state laws and regulations on nondiscrimination regarding race, sex, religion, age, color, creed, national or ethnic origin; physical, mental, or sensory disability; marital status, sexual orientation, or status as a Vietnam-era or disabled veteran. Evidence of noncompliance may be reported through your local Extension office.*

Note: Some WSU Extension web sites provide links to external sites for the convenience of users. These external sites are not managed by the WSU Extension. Furthermore, WSU Extension does not review, control or take responsibility for the content of these sites, nor do these sites implicitly or explicitly represent official positions and policies of WSU Extension.

---

**From:** Laydon, Ashlie (GMB) [mailto:ashlie.laydon@wsgc.wa.gov]  
**Sent:** Monday, November 09, 2020 12:34 PM  
**To:** 'ANNA.KESTELL@WSU.EDU' <ANNA.KESTELL@WSU.EDU>  
**Subject:** Question re: raffles

Hello Anna,

I received your comment through our website:

Select a Topic: Staff-Proposed Rule Change: Raffles  
Name: Anna Kestell  
Organization: WSU Spokane County Extension 4-H

Comments: WAC 230-11-055 (9) Number Raffle. I am not understanding this raffle. It reads to me as the client buys a ticket to pick a number. Number is drawn by licensee to determine winner. Why? Is this like the animal plop...where many people can select from a grid and share the prize?

I checked in with staff and our understanding of how this type of raffle works is that after buying a ticket, the participant gets to select the number they want from a predetermined population of numbers or squares (1-500). Then the licensee draws a number or numbers from that population of numbers to determine the winner(s).

The participant gets to select their "lucky" number(s) on the board- one person per number or square- similar to how a sports board operates.

Does this help?

**Ashlie Laydon**

Rules Coordinator | Legal and Records Division

Washington State Gambling Commission

P.O. Box 42400 | Olympia, WA 98504-2400

☎ (360) 486-3473 | ✉ ashlie.laydon@wsgc.wa.gov



Washington State  
**GAMBLING**  
COMMISSION

*Protect the public by ensuring that gambling is legal and honest.*



**From:** [foe3158sec@rainierconnect.com](mailto:foe3158sec@rainierconnect.com)  
**To:** [Laydon, Ashlie \(GMB\)](#)  
**Subject:** RE: Washington State Gambling Commission- Notice of Rule-Making  
**Date:** Monday, November 9, 2020 3:46:04 PM

---

This message has originated from an External Source. Please use caution when opening attachments, clicking links, or responding to this email. Contact your desktop support or IT security staff for assistance and to report suspicious messages.

Thank you Ashlie,  
I think I got it. The bundling was what I was really questioning... What we do for second place prizes is that if we have a drawing, or if we are playing queen of hearts after drawing the winner we will draw a consolation prize. I thought we had to do that... but we will continue as it is fun!

Thanks again for explaining..  
Christine King

Hello,

I checked in with staff on your questions below.

You can sell tickets individually or bundle tickets, which is already permitted under current rules. The proposed change would allow the option for more ways to bundle tickets.

I am unsure what you mean by second place prizes. Can you clarify your question?

Thank you,

Ashlie

**From:** foe3158sec@rainierconnect.com  
**Sent:** Friday, November 6, 2020 9:34 AM  
**To:** Laydon, Ashlie (GMB)  
**Subject:** Re: Washington State Gambling Commission- Notice of Rule-Making

This message has originated from an External Source. Please use caution when opening attachments, clicking links, or responding to this email. Contact your desktop support or IT security staff for assistance and to report suspicious messages.

Sooooo I am guessing that this means that we no longer need to do the 2nd place prizes? when someone doesn't win. and that we can bundle tickets now like 1dollar ea or 6 for 5dollar? Guess I am just needing clarification. Thank you so much.

Good afternoon,

You are receiving this email because your email address is associated with a license to conduct raffles in the state of Washington. If you have received this email in error, please

disregard it or feel free to contact me so that I can have the information in our system updated.

In October 2019, staff held a raffle work session with the Commissioners. As part of this presentation, staff made some recommendations for potential rule changes based on discussions they've had with nonprofit organizations regarding some of the obstacles faced when conducting raffles. In January 2020, the Commissioners initiated rule-making to consider amending alternative drawing formats and bundling and selling tickets at a discount.

Attached is draft language for your review which proposes to amend the following:

\* WAC 230-11-025- Bundling and selling tickets at a discount; to allow additional discount levels, and

\* WAC 230-11-055- Authorized alternative drawing formats; to authorize two additional alternative drawing formats.

If you would like to provide feedback on this draft language, you may do so by emailing me directly at [ashlie.laydon@wsgc.wa.gov](mailto:ashlie.laydon@wsgc.wa.gov) or through our website. Please provide feedback by close of business on Tuesday, December 1, 2020 if possible. Feel free to contact me by email if you have any questions.

Thank you,

Ashlie Laydon

Rules Coordinator | Legal and Records Division

Washington State Gambling Commission

P.O. Box 42400 | Olympia, WA 98504-2400

\* (360) 486-3473 | \* [ashlie.laydon@wsgc.wa.gov](mailto:ashlie.laydon@wsgc.wa.gov)

[Image result for wa gambling commission]

[FB icon] [twitter icon] [instagram\_2016\_icon\_email] [In-2C-21px-R]

**From:** [Jeff Brennan](#)  
**To:** [Laydon, Ashlie \(GMB\)](#)  
**Subject:** Re: Washington State Gambling Commission- Notice of Rule-Making  
**Date:** Thursday, November 12, 2020 7:56:01 PM  
**Attachments:** [image005.png](#)  
[image003.png](#)

---

This message has originated from an External Source. Please use caution when opening attachments, clicking links, or responding to this email. Contact your desktop support or IT security staff for assistance and to report suspicious messages.

Ashley - thanks so much for sharing this. Frankly, I like all of the changes! I definitely like the addition of the Heads/Tails raffle in section 8. I hope all the changes are accepted. Best regards to the staff for their input. Cheers - jeff

Jeff Brennan  
[District 5030 Foundation Chair](#)  
[Rotary Club of Mill Creek](#), President 2014-15  
Rotary Academy Graduate 2013

-----Original Message-----

From: Laydon, Ashlie (GMB) <[ashlie.laydon@wsgc.wa.gov](mailto:ashlie.laydon@wsgc.wa.gov)>  
Cc: Considine, Brian (GMB) <[brian.considine@wsgc.wa.gov](mailto:brian.considine@wsgc.wa.gov)>  
Sent: Thu, Nov 5, 2020 3:02 pm  
Subject: Washington State Gambling Commission- Notice of Rule-Making

Good afternoon,

You are receiving this email because your email address is associated with a license to conduct raffles in the state of Washington. If you have received this email in error, please disregard it or feel free to contact me so that I can have the information in our system updated.

In October 2019, staff held a raffle work session with the Commissioners. As part of this presentation, staff made some recommendations for potential rule changes based on discussions they've had with nonprofit organizations regarding some of the obstacles faced when conducting raffles. In January 2020, the Commissioners initiated rule-making to consider amending alternative drawing formats and bundling and selling tickets at a discount.

Attached is draft language for your review which proposes to amend the following:

- **WAC 230-11-025- Bundling and selling tickets at a discount;** to allow additional discount levels, and
- **WAC 230-11-055- Authorized alternative drawing formats;** to authorize two additional alternative drawing formats.

If you would like to provide feedback on this draft language, you may do so by emailing me directly at [ashlie.laydon@wsgc.wa.gov](mailto:ashlie.laydon@wsgc.wa.gov) or through our [website](#). Please provide feedback by close of business on Tuesday, December 1, 2020 if possible. Feel free to contact me by email if you have any

questions.

Thank you,

**Ashlie Laydon**

Rules Coordinator | Legal and Records Division

Washington State Gambling Commission

P.O. Box 42400 | Olympia, WA 98504-2400

☎ (360) 486-3473 | ✉ [ashlie.laydon@wsgc.wa.gov](mailto:ashlie.laydon@wsgc.wa.gov)



**From:** [Jennifer Witherbee](#)  
**To:** [Laydon, Ashlie \(GMB\)](#)  
**Cc:** [Considine, Brian \(GMB\)](#)  
**Subject:** RE: Washington State Gambling Commission- Notice of Rule-Making  
**Date:** Monday, November 9, 2020 9:00:59 AM  
**Attachments:** [image011.png](#)  
[image013.png](#)

---

This message has originated from an External Source. Please use caution when opening attachments, clicking links, or responding to this email. Contact your desktop support or IT security staff for assistance and to report suspicious messages.

Thank you, Ashlie! I will reach out to him. Take care!

Jennifer Witherbee, Executive Director  
Washington Apple Education Foundation  
2900 Euclid Avenue, Wenatchee WA 98801  
[www.waef.org](http://www.waef.org)  
(509) 663-7713 – office, (509) 679-8168-cell



[Get your Washington Apples License Plate!](#) Available Now!  
Proceeds support WAEF students. More on [waef.org](http://waef.org).

---

**From:** Laydon, Ashlie (GMB) <[ashlie.laydon@wsgc.wa.gov](mailto:ashlie.laydon@wsgc.wa.gov)>  
**Sent:** Friday, November 6, 2020 1:39 PM  
**To:** Jennifer Witherbee <[jennifer.witherbee@waef.org](mailto:jennifer.witherbee@waef.org)>  
**Cc:** Considine, Brian (GMB) <[brian.considine@wsgc.wa.gov](mailto:brian.considine@wsgc.wa.gov)>  
**Subject:** RE: Washington State Gambling Commission- Notice of Rule-Making

Hello Jennifer,

Unfortunately, our state constitution (Article II, Section 24) prohibits all gambling unless it is authorized by the legislature. All authorized gambling can be found in our Gambling Act (chapter [9.46](#) RCW) and conducting raffles over the telephone or the internet is not authorized and likely expressly prohibited in the Gambling Act under [RCW 9.46.240](#). In short, a change such as you are proposing below would need to be done by the Legislature.

If you would like to contact our Legal and Legislative Manager, Brian Considine, at [brian.considine@wsgc.wa.gov](mailto:brian.considine@wsgc.wa.gov), he would be happy to explain the legislative process to you.

Thank you,

Ashlie



---

**From:** Jennifer Witherbee <[jennifer.witherbee@waef.org](mailto:jennifer.witherbee@waef.org)>  
**Sent:** Friday, November 6, 2020 7:55 AM  
**To:** Laydon, Ashlie (GMB) <[ashlie.laydon@wsgc.wa.gov](mailto:ashlie.laydon@wsgc.wa.gov)>  
**Subject:** RE: Washington State Gambling Commission- Notice of Rule-Making

This message has originated from an External Source. Please use caution when opening attachments, clicking links, or responding to this email. Contact your desktop support or IT security staff for assistance and to report suspicious messages.

Dear Ashlie,

Thank you for sending this. Is there anything going on with discussions about loosening the methods of selling tickets to include telephone, mail or internet? We had to cancel our annual raffle this year because we weren't able to gather people together at the event where the raffle had been held traditionally.

Thank you!

Jennifer Witherbee, Executive Director  
Washington Apple Education Foundation  
2900 Euclid Avenue, Wenatchee WA 98801  
[www.waef.org](http://www.waef.org)  
(509) 663-7713 – office, (509) 679-8168-cell



[Get your Washington Apples License Plate!](#) Available Now!  
Proceeds support WAEF students. More on [waef.org](http://waef.org).

---

**From:** Laydon, Ashlie (GMB) <[ashlie.laydon@wsgc.wa.gov](mailto:ashlie.laydon@wsgc.wa.gov)>  
**Sent:** Thursday, November 5, 2020 3:02 PM  
**Cc:** Considine, Brian (GMB) <[brian.considine@wsgc.wa.gov](mailto:brian.considine@wsgc.wa.gov)>  
**Subject:** Washington State Gambling Commission- Notice of Rule-Making

Good afternoon,

You are receiving this email because your email address is associated with a license to conduct raffles in the state of Washington. If you have received this email in error, please disregard it or feel free to contact me so that I can have the information in our system updated.

In October 2019, staff held a raffle work session with the Commissioners. As part of this presentation, staff made some recommendations for potential rule changes based on discussions

they've had with nonprofit organizations regarding some of the obstacles faced when conducting raffles. In January 2020, the Commissioners initiated rule-making to consider amending alternative drawing formats and bundling and selling tickets at a discount.

Attached is draft language for your review which proposes to amend the following:

- **WAC 230-11-025- Bundling and selling tickets at a discount;** to allow additional discount levels, and
- **WAC 230-11-055- Authorized alternative drawing formats;** to authorize two additional alternative drawing formats.

If you would like to provide feedback on this draft language, you may do so by emailing me directly at [ashlie.laydon@wsgc.wa.gov](mailto:ashlie.laydon@wsgc.wa.gov) or through our [website](#). Please provide feedback by close of business on Tuesday, December 1, 2020 if possible. Feel free to contact me by email if you have any questions.

Thank you,

**Ashlie Laydon**

Rules Coordinator | Legal and Records Division

Washington State Gambling Commission

P.O. Box 42400 | Olympia, WA 98504-2400

☎ (360) 486-3473 | ✉ [ashlie.laydon@wsgc.wa.gov](mailto:ashlie.laydon@wsgc.wa.gov)



**From:** [Laydon, Ashlie \(GMB\)](#)  
**To:** ["Jocelyn Wood"](#)  
**Cc:** [Considine, Brian \(GMB\)](#)  
**Subject:** RE: Washington State Gambling Commission- Notice of Rule-Making  
**Date:** Tuesday, November 10, 2020 9:25:06 AM  
**Attachments:** [image006.png](#)  
[image007.png](#)  
[image008.png](#)  
[image009.png](#)  
[image013.png](#)  
[image015.png](#)

---

Hello Jocelyn,

Unfortunately, our state constitution (Article II, Section 24) prohibits all gambling unless it is authorized by the legislature. All authorized gambling can be found in our Gambling Act (chapter [9.46](#) RCW) and conducting raffles over the telephone or the internet is not authorized and likely expressly prohibited in the Gambling Act under [RCW 9.46.240](#). In short, a change such as you are proposing below would need to be done by the Legislature.

If you would like to contact our Legal and Legislative Manager, Brian Considine, at [brian.considine@wsgc.wa.gov](mailto:brian.considine@wsgc.wa.gov), he would be happy to explain the legislative process to you.

Thank you,

Ashlie

---

**From:** Jocelyn Wood <JWood@washingtoncenter.org>  
**Sent:** Tuesday, November 10, 2020 8:44 AM  
**To:** Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>  
**Subject:** FW: Washington State Gambling Commission- Notice of Rule-Making

This message has originated from an External Source. Please use caution when opening attachments, clicking links, or responding to this email. Contact your desktop support or IT security staff for assistance and to report suspicious messages.

Hi Ashlie,

Thanks for sending this.

The single biggest thing that would help us as a non-profit during the pandemic would be selling raffle tickets online. I don't see that covered, so assume that's not changing. But that would be the biggest help.

Thanks,

Jocelyn

**Jocelyn Wood**, Development Director  
(360) 753-8585 x 103  
(360) 489-8238 mobile

[jwood@washingtoncenter.org](mailto:jwood@washingtoncenter.org)

Want to meet? Schedule a time with me through [Calendly](#).



---

**From:** Jill Barnes

**Sent:** Monday, November 9, 2020 2:59 PM

**To:** Chad Carpenter <[CCarpenter@washingtoncenter.org](mailto:CCarpenter@washingtoncenter.org)>; Jocelyn Wood <[JWood@washingtoncenter.org](mailto:JWood@washingtoncenter.org)>; Alyssa Bleckwehl <[ableckwehl@washingtoncenter.org](mailto:ableckwehl@washingtoncenter.org)>

**Subject:** FW: Washington State Gambling Commission- Notice of Rule-Making

Thoughts?

---

**From:** Carrie Swindler

**Sent:** Friday, November 6, 2020 6:45 PM

**To:** Jill Barnes <[jbarnes@washingtoncenter.org](mailto:jbarnes@washingtoncenter.org)>

**Subject:** FW: Washington State Gambling Commission- Notice of Rule-Making

Did you get this email? I figure you're closer to how we handle raffles at this point so if you want to weigh in on their amendments, now is the time! 😊

**Carrie Swindler**, Business Manager

360-753-8585 x 105

[businessmanager@washingtoncenter.org](mailto:businessmanager@washingtoncenter.org)

---

**From:** Laydon, Ashlie (GMB) [<mailto:ashlie.laydon@wsgc.wa.gov>]

**Sent:** Thursday, November 5, 2020 3:02 PM

**Cc:** Considine, Brian (GMB) <[brian.considine@wsgc.wa.gov](mailto:brian.considine@wsgc.wa.gov)>

**Subject:** Washington State Gambling Commission- Notice of Rule-Making

Good afternoon,

You are receiving this email because your email address is associated with a license to conduct raffles in the state of Washington. If you have received this email in error, please disregard it or feel free to contact me so that I can have the information in our system updated.

In October 2019, staff held a raffle work session with the Commissioners. As part of this presentation, staff made some recommendations for potential rule changes based on discussions they've had with nonprofit organizations regarding some of the obstacles faced when conducting raffles. In January 2020, the Commissioners initiated rule-making to consider amending alternative drawing formats and bundling and selling tickets at a discount.

Attached is draft language for your review which proposes to amend the following:

- **WAC 230-11-025- Bundling and selling tickets at a discount;** to allow additional discount levels, and
- **WAC 230-11-055- Authorized alternative drawing formats;** to authorize two additional alternative drawing formats.

If you would like to provide feedback on this draft language, you may do so by emailing me directly at [ashlie.laydon@wsgc.wa.gov](mailto:ashlie.laydon@wsgc.wa.gov) or through our [website](#). Please provide feedback by close of business on Tuesday, December 1, 2020 if possible. Feel free to contact me by email if you have any questions.

Thank you,

**Ashlie Laydon**

Rules Coordinator | Legal and Records Division

Washington State Gambling Commission

P.O. Box 42400 | Olympia, WA 98504-2400

☎ (360) 486-3473 | ✉ [ashlie.laydon@wsgc.wa.gov](mailto:ashlie.laydon@wsgc.wa.gov)



**From:** [dan.heisel@watech.wa.gov](mailto:dan.heisel@watech.wa.gov) on behalf of [WSGC Web](#)  
**To:** [Rules Coordinator \(GMB\)](#)  
**Subject:** Request for Public Comment Submission from wsgc.wa.gov  
**Date:** Monday, August 17, 2020 12:39:13 PM

---

Submitted on Monday, August 17, 2020 - 12:39pm

Submitted by anonymous user: 73.83.235.160

Submitted values are:

Select a Topic: Staff-Proposed Rule Change: Raffles

Name: Robin Graham

Organization: Louisa Boren STEM K-8 PTA

Comments: Having to bundle / keep track and manage raffle tickets for a nonprofit event is a tedious process for a nonprofit. The rules should be straight forward, limited for organizations making small amounts on raffles, and easier to report.

The results of this submission may be viewed at:

<https://wsgc.wa.gov/node/19/submission/1762>



**Bills with Direct Gambling Industry Impacts (cont...):**

**3. SSB 5034, Concerning nonprofit corporations**

Senator Pederson's bill seeks to modernize and re-codify the state's nonprofit corporations act that is the foundation for all of your nonprofit licensees. The bill was amended in committee but the amendments do not have any additional impact on the Gambling Act. The bill was passed out of the Senate Law and Justice Committee on January 21<sup>st</sup>, went to Rules, and now is on the Floor consent calendar.

**Bills Supported by the Commission:**

**4. HB 1022, Relating to the Washington State Horse Racing Commission**

Representative MacEwen's bill amends the Horse Racing Act to allow the Horse Racing Commission to receive money into the Horse Racing operating account to pay for agency salary, wages, and expenses. The House Commerce and Gaming Committee unanimously passed the bill out of Committee on January 21, 2021. The bill is currently in the House Appropriations Committee and must be passed out of this committee by the February 22<sup>nd</sup> cutoff.

**5. Agency Budget Requests**

We continue to talk with Legislators and budget staff about our three budget priorities: (1) extending the sports wagering loan until 2023; (2) extending the Problem Gambling Task Force until 2022; and (3) extending the prevalence study to 2023. Senate and House budgets likely will not be released for a few more weeks and we are still optimistic we can get these into one or both proposed budgets.

**Bills with Law Enforcement Impacts:**

**6. HB 1000, establishing and expanding wellness, resiliency, and mental health support for law enforcement officers.**

Representative Maycumber's bill seeks to establish a program to support behavioral health improvement and suicide prevention efforts for law enforcement officers. It also authorizes WASPC to establish three pilot programs to support behavioral health improvement and suicide prevention efforts for law enforcement officers. Programs are subject to appropriations during this biennium.

**7. HB 1054, Establishing requirements for tactics and equipment used by peace officers.**

Representative Johnson's bill prohibits a law enforcement officer from using a list of items or actions and modifies certain Criminal Justice Training Commission training requirements. This bill does not appear to cover the Gambling Commission or activities typically part of our special agents' job duties. However, we will continue to monitor this bill if it moves through the legislature to ensure it is not amended to add something that could negatively impact the agency.

**8. HB 1082/SSB 5051, Concerning state oversight and accountability of peace officers and corrections officers**

Senator Pederson and Representative Goodman's bills amend the Criminal Justice Training Commission's statutory authority to prioritize CJTC's certification of law enforcement officers and expands their role in the application and regulation of these certifications. The bills also change the composition of who serves on the agency's commission. SSB 5051 passed out of the Senate Law and Justice Committee on January 21<sup>st</sup> and is now in Ways and Means. The House has yet to take action on this bill. The agency does not appear to be significantly impacted by these bills at this time, but we continue to monitor this bill in case it has a significant impact on our agency.

**9. HB 1202, Addressing meaningful civil remedies for persons injured as a result of police misconduct**

Representative Thai's HB 1202 provides a new state court tort action for persons injured by law enforcement. This bill establishes a standard lower than the qualified immunity affirmative defense



standard found in federal civil rights claims. The bill would hold both the law enforcement officer and their employer joint and severely liable if a violation is found. The bill was hearing the House Public Safety Committee on January 26<sup>th</sup>, but no action has been taken on it yet. The bill does not appear to apply to our agency and our special agents, but we continue to monitor this bill in case it is amended or new guidance comes out during the process that it is meant to cover our agency.

**10. HB 1310, Concerning permissible uses of force by law enforcement and correctional officers**

Representative Johnson's HB 1310 establishes a new standard for use of force by law enforcement officers and agencies. The bill also amends the recently changed criminal liability protections that were put into place by the Legislature when it amended the I-940 initiative in 2019. The bill would apply to us and the changes would be significant considering the current laws were a negotiated compromise when I-940 was passed in 2018. The bill was heard in the House Public Safety Committee on January 29<sup>th</sup> and no action has been taken at this time. WASPC and many other law enforcement agencies oppose this bill in its current version and we continue to monitor it to ensure it does not have any unintended consequences for our agency and special agents.

**11. Additional Law Enforcement Bills**

The agency is tracking several additional law enforcement bills that have appear to have little or no impact to the agency at this time:

- a. SHB 1088/SB 5067, Brady disclosures (passed out of House committee on 1/29)
- b. SHB 1092, Concerning law enforcement data collection (passed out of committee on 1/19)
- c. HB 1174, Custodial interrogations
- d. HB 1223, Enacting the uniform electronic recordation of custodial interrogations act
- e. HB 1267, Establishing office of independent investigations
- f. SSB 5066, Officer duty to intervene (passed out of committee on 1/21)
- g. SSB 5089, Concerning peace officer hiring and certification (passed out of committee on 1/28)

**General State Government Bills:**

**12. ESHB 1056, OPMA requirements during emergencies (passed out of committee)**

Representative Pollet's SHB 1056 amends the OPMA to allow a public agency to hold remote or limited in-person meetings when a public emergency is declared. Requires remote/virtual meetings to afford the public the ability to view/participate in real-time and agendas must be posted online. The bill was unanimously passed out of the House on January 22<sup>nd</sup> and is not in the Senate. We do not have concerns as this puts into place what we have already been doing during the pandemic.

**13. HB 1274, Concerning cloud computing solutions**

Representative Hackney's HB 1274 requires agencies to move an agency's IT infrastructure to the cloud using a third party commercial cloud service provider. It also repeals current requirements for agencies to use the state's data center in Olympia. The agency is currently going through converting some agency programs to the cloud, and this would have a fiscal impact to the agency to convert all systems. However, it is likely a process the agency needs to undertake and we are monitoring the bill to ensure there is no more burden on the agency than necessary. The bill was heard on January 25<sup>th</sup> in the House State Government Committee and no action has been taken at this time.

**14. HB 1329, Concerning public meeting accessibility and participation**

Representative Wicks HB 1329 focuses primarily on local governments but does authorize remote meetings for state agencies and adds additional requirements allowing for public comments during public meetings. We already undertake the process envisioned in this bill and do not anticipate any agency impact. The bill was heard on January 26<sup>th</sup> in the House Local Government Committee and no action has been taken at this time.

**General State Government Bills (cont...):**

**15. SB 5116, Gov't procurement of automated decision making systems**

Senator Hasegawa's SB 5116 requires state agencies to identify and receive approval for using automated decision systems (ADS). The OCIO is required to develop rules on the approval process for ADS. The bill also identifies ADS that are prohibited from being used and delays facial recognition statutory provisions currently in law from going into effect until July 1, 2026. Many state agencies and the Governor's Office is working with the sponsor on this bill because of concerns that the ADS definition and other provisions is too broad and costly for state government. We share similar concerns and will monitor the bill if it moves forward. It had a hearing on January 20<sup>th</sup> in the Senate State Government Committee and no action has been taken on it at this time.

**Budget-Related Bills:**

**16. SB 5323, Freezing wager and salaries and providing furlough days during the 2021-23 biennium**

Senator Rolfes' SB 5323 would require state agencies, including WSGC, to institute 24 furlough days over the next biennium. It also prohibits state agencies, including WSGC, from granting salary increases for WMS employees, which historically have applied to our special agent classifications. We have significant concerns about the impact of these measures on our agency. It is too early to tell if these are likely to be considered and will need to wait for the next economic forecast. However, we plan to talk with Senators about the impact on this agency since we're non-general fund and imposing such measures on us will not have any positive value to the overall state budget and likely be detrimental to the agency and our licensees. The bill was heard in the Senate Ways and Means Committee on January 28<sup>th</sup> and no action has been taken on it at this time.

I'll file an addendum with you if there are any additional bills filed or of significance for our February Commission Meeting.

---

**SENATE BILL 5212**

---

**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** Senators King, Lias, and Wilson, C.

Read first time 01/14/21. Referred to Committee on Labor, Commerce & Tribal Affairs.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1        NEW SECTION.

2        **Sec. 3.**

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 (e) Method of issuing tickets;

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

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

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

17 (i) Type of system for wagering;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1        NEW SECTION.    **Sec. 19.**    If any provision of this act or its  
2 application to any person or circumstance is held invalid, the  
3 remainder of the act or the application of the provision to other  
4 persons or circumstances is not affected.

5        NEW SECTION.    **Sec. 20.**    A new section is added to chapter 82.04  
6 RCW to read as follows:

7        This chapter does not apply to any person in respect to a  
8 business activity with respect to which tax liability is specifically  
9 imposed under chapter 9.--- RCW (the new chapter created in section  
10 21 of this act).

11       NEW SECTION.    **Sec. 21.**    Sections 1 through 18 of this act  
12 constitute a new chapter in Title 9 RCW.

13        **Sec. 22.**    RCW 9.46.0335 and 1987 c 4 s 31 are each amended to  
14 read as follows:

15        (1)    The legislature ~~((hereby))~~ authorizes any person,  
16 association, or organization to ~~((conduct sports pools without a  
17 license to do so from the commission but only when the outcome of  
18 which is dependent upon the score, or scores, of a certain athletic  
19 contest and which is conducted only))~~ conduct sports boards in the  
20 following manner:

21        ~~((1))~~ A board or piece of paper is divided into one hundred equal  
22 squares, each of which constitutes a chance to win in the sports pool  
23 and each of which is offered directly to prospective contestants at  
24 one dollar or less;

25        ~~(2))~~ (a) The purchaser of each chance or square signs his or her  
26 name on the face of each square or chance he or she purchases; ~~((and~~

27        ~~(3))~~ (b) At some time not later than prior to the start of the  
28 subject athletic contest, the ~~((pool))~~ sports board is closed and no  
29 further chances in the ~~((pool))~~ sports board are sold;

30        ~~((4))~~ (c) After the ~~((pool))~~ sports board is closed, a  
31 prospective score is assigned by random drawing to each square;

32        ~~((5))~~ (d) All money paid by entrants to enter the ~~((pool))~~  
33 sports board less taxes is paid out as the prize or prizes to those  
34 persons holding squares assigned the winning score or scores from the  
35 subject athletic contest;

36        ~~((6))~~ (e) The sports ~~((pool))~~ board is available for inspection  
37 by any person purchasing a chance thereon, the commission, or by any

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

--- **END** ---

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5212 SB	<b>Title:</b> Sports wagering
-----------------------------	-------------------------------

## Estimated Cash Receipts

Agency Name	2021-23			2023-25			2025-27		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of Attorney General	0	0	171,000	0	0	238,000	0	0	238,000
Washington State Gambling Commission	0	0	10,487,250	0	0	7,324,514	0	0	7,324,514
Department of Revenue	3,400,000	3,400,000	3,400,000	4,900,000	4,900,000	4,900,000	5,100,000	5,100,000	5,100,000
<b>Total \$</b>	<b>3,400,000</b>	<b>3,400,000</b>	<b>14,058,250</b>	<b>4,900,000</b>	<b>4,900,000</b>	<b>12,462,514</b>	<b>5,100,000</b>	<b>5,100,000</b>	<b>12,662,514</b>

## Estimated Operating Expenditures

Agency Name	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of Attorney General	.6	0	0	171,000	.9	0	0	238,000	.9	0	0	238,000
Washington State Gambling Commission	26.8	0	0	9,665,668	20.7	0	0	6,750,704	20.7	0	0	6,750,704
Department of Revenue	2.2	648,800	648,800	648,800	.3	74,800	74,800	74,800	.0	0	0	0
Horse Racing Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>29.6</b>	<b>648,800</b>	<b>648,800</b>	<b>10,485,468</b>	<b>21.9</b>	<b>74,800</b>	<b>74,800</b>	<b>7,063,504</b>	<b>21.6</b>	<b>0</b>	<b>0</b>	<b>6,988,704</b>

## Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Washington State Gambling Commission	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Horse Racing Commission	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Breakout



---

**Prepared by:** Gwen Stamey, OFM

**Phone:**  
(360) 902-9810

**Date Published:**  
Final 2/ 3/2021

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5212 SB	<b>Title:</b> Sports wagering	<b>Agency:</b> 100-Office of Attorney General
-----------------------------	-------------------------------	---

## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2022	FY 2023	2021-23	2023-25	2025-27
Legal Services Revolving Account-State 405-1	25,000	146,000	171,000	238,000	238,000
<b>Total \$</b>	25,000	146,000	171,000	238,000	238,000

### Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.2	1.1	0.6	0.9	0.9
<b>Account</b>					
Legal Services Revolving Account-State 405-1	25,000	146,000	171,000	238,000	238,000
<b>Total \$</b>	25,000	146,000	171,000	238,000	238,000

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/15/2021
Agency Preparation: Amy Flanigan	Phone: 509-456-3123	Date: 02/01/2021
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 02/01/2021
OFM Review: Tyler Lentz	Phone: (360) 790-0055	Date: 02/02/2021

## **Part II: Narrative Explanation**

### **II. A - Brief Description Of What The Measure Does That Has Fiscal Impact**

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Section 1 – New Section – definitions.

Section 2 – New Section – legislature authorizes sports wagering and issuance of licenses and rules for Gambling Commission (Commission).

Section 3 – New Section – what is allowed under a sports license.

Section 4 – New Section – sports pool may not be offered without a license.

Section 5 – New Section – who cannot place wagers and penalties.

Section 6 – New Section – ability for licensee to contract.

Section 7 – New Section – what must be reported to the Commission.

Section 8 – New Section – requirement to maintain records.

Section 9 – New Section – rules when kiosks allowed for wagering.

Section 10 – New Section – disclosure requirements for license applicants.

Section 11 – New Section – employee requirements for those employed in a lounge.

Section 12 – New Section – Commission authority and rule-making.

Section 13 – New Section – sport wagering operators must adopt rules.

Section 14 – New Section – revenue agreement.

Section 15 – New Section – tax on gaming revenue.

Section 16 – New Section – expiration on winnings.

Section 17 – New Section – must be physically present to place a wager.

Section 18 – New Section – zoning requirements.

Section 19 – New Section – severability clause.

Section 20 – New Section – tax liability.

Section 21 – New Section – Sections 1-18 are a new chapter in Title 9 RCW.

Section 22 – Amends RCW 9.46.0335 – adds sports boards.

Section 23 – Amends RCW 9.46.153 – adds violation of federal law.

Section 24 – Amends RCW 9.46.155 – adds to list of prohibited actions.

Section 25 – Amends RCW 9.46.210 – adding references to new chapter in Title 9 RCW and establishes a sports integrity unit.

Section 26 – Amends RCW 9.46.240 – adding references to new chapter in Title 9 RCW.

Section 27 – Amends RCW 67.04.010 – makes violation to bribe anyone involved in a sporting event.

Section 28 – Amends RCW 67.04.020 – makes violation to accept a bribe.

Section 29 – Amends RCW 67.04.030 – changes requirements to prove what constitutes a bribe.

Section 30 – Amends RCW 67.04.040 – changes definition of a “bribe” to include specified roles.

Section 31 – Amends RCW 67.04.050 – makes manipulation of a sporting event a Class C felony.

Section 32 – Amends RCW 67.04.060 – changes baseball game to sporting contest.

Section 33 – Amends RCW 67.04.070 – allows bonuses.

Section 34 – Amends RCW 67.04.080 – to broaden application of RCW 67.04.010-67.04.080.

Section 35 – New Section – recodifies RCW 67.24.010.

Section 36 – New Section – decodifies RCW 67.24.020.

## **II. B - Cash receipts Impact**

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

Cash receipts are assumed to equal the Legal Services Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agency is the Gambling Commission (GMB). The Attorney General’s Office (AGO) will bill all clients for legal services rendered.

These cash receipts represent the AGO’s authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agency’s fiscal note. Appropriation authority is necessary in the AGO budget.

## **II. C - Expenditures**

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

Attorney General's Office (AGO) Agency Assumptions:

1. This bill is assumed effective 90 days after the end of the 2021 legislative session.
2. Total workload impact in this request includes standard assumption costs for good & services, travel, and capital outlays for all FTE identified.
3. Agency administration support FTE are included in the tables below, using a Management Analyst 5 as a representative classification.
4. The AGO Revenue & Finance Division (REV) has reviewed this bill and determined it will not significantly increase the division's workload in representing the Department of Revenue (DOR). The tax imposed by Section 15 will likely generate advice requests. In addition, it is assumed that the bill will result in only one or two refund actions each year. New legal services are nominal and costs are not included in this request.

Assumptions for the AGO Government Compliance & Enforcement Division's (GCE) Legal Services for the Gambling Commission (GMB):

1. The AGO will bill GMB for legal services based on the enactment of this bill.
2. This bill authorizes sports wagering through sports pools and online sports pools by card rooms and racetracks. Several sections of this bill require GMB to engage in rule-making, including the provisions relating to wagers and problem gambling (Section 12).

A. Several other sections of the bill will likely to lead the GMB to engage in rule-making, including sections relating to licensing fees and other requirements, house rules requirements, sports pool facility requirements, financial reserve requirements, temporary facility requirements, geographical location requirements, the pooling of wagers, operational entity requirements, and manufacturing requirements for sports wagering equipment.

B. GCE will advise GMB during the development, adoption, and implementation of these rules. Based on experience in advising GMB during the rule-making process, GCE assumes to utilize 200 Assistant Attorney General (AAG) hours in Fiscal Year (FY) 2022 and FY 2023.

3. Section 2 authorizes the issuance of sports wagering licenses to card rooms and racetracks. Section 11 of the bill authorizes the issuance of licenses to individual employees working in sports wagering lounges. This will lead to an increase in enforcement cases against licensees that violate the statutory provisions and rules adopted by GMB related to sports wagering. This increase in cases will lead to more referrals to GCE for litigation support.

A. GCE assumes an increase of 15 litigation referrals each FY. Each new litigation referrals will utilize 60 hours of AAG work, an increase of 900 AAG hours (60 x 15) in FY 2023 and in each FY thereafter.

4. Total workload impact:

FY 2022: 0.11 AAG and 0.06 Legal Assistant (LA) at a cost of \$25,000.

FY 2023: 0.61 AAG and 0.31 LA at a cost of \$146,000.

FY 2024 and in each FY thereafter: 0.5 AAG and 0.25 LA at a cost of \$119,000 per FY.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
405-1	Legal Services Revolving Account	State	25,000	146,000	171,000	238,000	238,000
<b>Total \$</b>			25,000	146,000	171,000	238,000	238,000

### III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27	
FTE Staff Years	0.2	1.1	0.6	0.9	0.9	
A-Salaries and Wages	17,000	96,000	113,000	156,000	156,000	
B-Employee Benefits	5,000	30,000	35,000	50,000	50,000	
E-Goods and Other Services	3,000	18,000	21,000	28,000	28,000	
G-Travel		1,000	1,000	2,000	2,000	
J-Capital Outlays		1,000	1,000	2,000	2,000	
<b>Total \$</b>		25,000	146,000	171,000	238,000	238,000

### III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
Assistant Attorney General	108,600	0.1	0.6	0.4	0.5	0.5
Legal Assistant 3	54,108	0.1	0.3	0.2	0.3	0.3
Management Analyst 5	88,644		0.2	0.1	0.1	0.1
<b>Total FTEs</b>			0.2	1.1	0.6	0.9

### III. D - Expenditures By Program (optional)

Program	FY 2022	FY 2023	2021-23	2023-25	2025-27
Government Compliance & Enforcement Division (GCE)	25,000	146,000	171,000	238,000	238,000
<b>Total \$</b>		25,000	146,000	171,000	238,000

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

### IV. B - Expenditures by Object Or Purpose

NONE

### IV. C - Capital Budget Breakout

*Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods*

NONE

### IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

## Part V: New Rule Making Required

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5212 SB	<b>Title:</b> Sports wagering	<b>Agency:</b> 117-Washington State Gambling Commission
-----------------------------	-------------------------------	---

## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2022	FY 2023	2021-23	2023-25	2025-27
Gambling Revolving Account-Non-Appropriated 884-6	6,824,993	3,662,257	10,487,250	7,324,514	7,324,514
<b>Total \$</b>	6,824,993	3,662,257	10,487,250	7,324,514	7,324,514

### Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	32.9	20.7	26.8	20.7	20.7
<b>Account</b>					
Gambling Revolving Account-Non-Appropriated 884-6	6,290,316	3,375,352	9,665,668	6,750,704	6,750,704
<b>Total \$</b>	6,290,316	3,375,352	9,665,668	6,750,704	6,750,704

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/15/2021
Agency Preparation: Christopher Stanley	Phone: 360-486-3489	Date: 01/25/2021
Agency Approval: Brian Considine	Phone: (360) 786-3489	Date: 01/25/2021
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 01/27/2021

## **Part II: Narrative Explanation**

### **II. A - Brief Description Of What The Measure Does That Has Fiscal Impact**

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Section 1 is a definition section.

Section 2 authorizes sports wagering at cardrooms and racetracks. The Washington State Gambling Commission (WSGC) is empowered to perform all licensing, but may not issue any licenses until the execution of a tribal compact amendment authorizing sports wagering (already authorized under existing statute). Fees are set at \$100,000 for an initial license and reasonable fees for renewals as necessary to cover the costs of regulating the sports wagering market. A problem gambling report is required to be filed by WSGC annually.

Section 3 permits online wagering within the confines of the physical facility of the sports wagering licensee.

Section 4 creates a class B felony and associated fines for persons offering sports wagering without a license.

Section 5 restricts a variety of sports-related individuals from participating in the sports wagering market.

Section 6 permits sports wagering licensees to contract with an outside, licensed entity to conduct sports wagering on their behalf.

Section 7 requires operators to report promptly to WSGC any criminal or disciplinary proceedings commenced against the operator or its employees as well as any abnormal or suspicious wagering patterns. Section 8 requires operators to maintain sports wagering records required by WSGC.

Section 9 permits a sports wagering licensee to utilize kiosks or self-service wagering stations within its complex.

Section 10-12 authorize the licensing, regulation, and development of rules for the regulation of sports wagering by WSGC and set certain standards for the same.

Section 13 requires operators to adopt house rules relating to sports wagering.

Section 14 permits two licensees to jointly manage a sports wagering operation.

Section 15 establishes a tax of 10 percent on gaming revenue from sports wagering. Gaming revenue is defined as "the total amount wagered less winnings paid out".

Section 16 provides a one-year time frame for winners to collect their winnings and specifies a distribution of unclaimed winnings.

Section 17 states that wagers may be accepted or pooled from persons outside the state if WSGC determines that those wagers align with federal law.

Section 18 concerns the zoning of sports wagering lounges.

Section 19 is a severability clause.



Sections 22-34 amend existing statutes to bring them into alignment with the new sections added to the RCW as a new chapter under Title 9.

**II. B - Cash receipts Impact**

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

The Washington State Gambling Commission (WSGC) is funded both by license fees and by tribal reimbursement of certain tribal regulatory costs. Were this bill to become law, license fees would be set by rule and dependent on projected costs. It is assumed that total revenues would be sufficient to fund the agency at a level that adequately funds the activities required by the bill, plus an 8.5% working capital reserve as permitted by the Office of Financial Management. While the detailed breakout of license fees is indeterminate, the total revenue figure is noted here.

**II. C - Expenditures**

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

Please see the attached documents describing the expenditure impact of this bill.

The following attachments have been provided to assist with the explanation of estimated expenditures:

- Attachment A: The narrative attachment
- Attachment B: Licensing Unit Assumption Calculations
- Attachment C: Position Breakout (in order as presented in this narrative)
- Attachment D: Cost Model by Object and Certain Relevant Sub-Objects

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
884-6	Gambling Revolving Account	Non-Appropriated	6,290,316	3,375,352	9,665,668	6,750,704	6,750,704
<b>Total \$</b>			6,290,316	3,375,352	9,665,668	6,750,704	6,750,704

**III. B - Expenditures by Object Or Purpose**

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	32.9	20.7	26.8	20.7	20.7
A-Salaries and Wages	2,561,071	1,621,106	4,182,177	3,242,212	3,242,212
B-Employee Benefits	921,985	583,598	1,505,583	1,167,196	1,167,196
C-Professional Service Contracts					
E-Goods and Other Services	434,744	349,383	784,127	698,766	698,766
G-Travel	78,973	49,619	128,592	99,238	99,238
J-Capital Outlays	1,074,474		1,074,474		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	1,219,069	771,646	1,990,715	1,543,292	1,543,292
9-					
<b>Total \$</b>	6,290,316	3,375,352	9,665,668	6,750,704	6,750,704

**III. C - Operating FTE Detail:** *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

<b>Job Classification</b>	<b>Salary</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>2021-23</b>	<b>2023-25</b>	<b>2025-27</b>
Gambling Special Agent - EMS Band 1	77,916	21.6	10.6	16.1	10.6	10.6
Licensing Specialist	49,932	1.3	0.6	1.0	0.6	0.6
Management Analyst 4	77,952	7.0	7.0	7.0	7.0	7.0
Management Analyst 5	86,064	1.0	1.0	1.0	1.0	1.0
Special Agent Supervisor - EMS Band 2	90,312	2.0	1.5	1.8	1.5	1.5
<b>Total FTEs</b>		32.9	20.7	26.8	20.7	20.7

**III. D - Expenditures By Program (optional)**

NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods*

NONE

**IV. D - Capital FTE Detail:** *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

None

**Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

Extensive rule making would be required to implement the entire bill. These costs are reflected as part of the overall costs in the narrative component.

## **Attachment A: Washington State Gambling Commission Expenditure Statement on Senate Bill 5212**

### **II. C – Expenditures**

The Washington State Gambling Commission assumes the following implementation plan:

- Sports wagering would be authorized in card rooms and at racetracks (such as Emerald Downs).
- Sports wagers could be placed on the premises of the card room or racetrack at a teller, kiosk, or through an online sports pool.

For the purposes of licensing and regulation, WSGC makes the following operating assumptions:

- 28 card room locations and 1 racetrack location will offer sports wagering:
- Sports wagering will be offered two ways:
  - Retail, with teller stations and kiosks
  - 1 mobile application per card room
- Risk Management (colloquially known as “bookmakers”) Assumptions:
  - Sports wagering activity may be leased out.
  - The card rooms will be ultimately responsible for those they contract with to provide risk management services.
  - The same risk manager for the retail operations will be the same for mobile applications.

The following attachments have been provided to assist with the explanation of estimated expenditures:

- Attachment A: This narrative attachment
- Attachment B: Licensing Unit Assumption Calculations
- Attachment C: Position Breakout (in order as presented in this narrative)
- Attachment D: Cost Model by Object and Certain Relevant Sub-Objects

### **Licensing Unit (please see Attachment B for calculation breakout on regulatory hours)**

WSGC anticipates four new organizational licenses will be created to regulate this new activity:

- Sports Wagering License (29 licensees estimated)
  - Potential licensees include card rooms and a racetrack.
- Sports Wagering Operator (8 licensees estimated)
  - It is assumed that three new licensees will enter the new market and five other operators will want to be cross-licensed from the tribal-only sports wagering sector to enter the new market.
- Sports Wagering Service Provider (13 licensees estimated)
  - It is assumed that three additional licensees will enter the new market and ten other service providers will want to be cross-licensed from the tribal-only sports wagering sector to enter the new market.
- Sports Wagering Supplier/Processor (31 licensees estimated)
  - It is assumed that six additional licensees will enter the new market and twenty-five other suppliers/processors will want to be cross-licensed from the tribal-only sports wagering sector to enter the new market.

WSGC anticipates that two new individual licenses will be created to regulate this activity:

- Sports Wagering Key Employee (116 licensees estimated)
  - Assumption: Four per location
  - This assumption includes a cyber security official to monitor and secure online activity
- Sports Wagering Employee (348 licensees estimated)
  - All persons employed directly in wagering-related activities conducted in a sport wagering lounge and online sports pool
  - Assumption: 12 per location

To prepare for licensing of this new activity, the Licensing Unit will need to undertake the following:

• Draft Rules	200 hours
• Update internal licensing system (add the new licenses) classes	150 hours
• Create new forms; update existing forms	150 hours
• Update the MyAccount licensing portal	150 hours
• Educate and train WSGC licensing staff (15 staff x 15 hours)	225 hours
• Educate and train new licensees	150 hours
-----	
<b>Total Preparation Work (First Year)</b>	<b>1,025 hours</b>
<b>Total Licensing Hours (First Year)</b>	<b>5,968 hours</b>
<b>Total Licensing Hours (Subsequent Years)</b>	<b>1,757 hours</b>

### Regulation Unit

The Regulation Unit conducts three primary types of regulation activities (assuming 25 locations):

Pre-Operational Review Function	Hours Per Location
Internal Controls Review	30
House Rules Review	10
Promotions Review	20
Surveillance	6
Test compliance with rules (Retail)	25
Test compliance with rules (Mobile)	20
Soft Opening Review	15
Review of Temporary Facility	100
<b>Sub-Total</b>	<b>226/location; 6,554 hours total</b>
We further assume that 20% of all licensees in the first year of implementation will require a second agent to assist on the review, for training purposes of our staff.	<b>+ 1,311 hours</b>
<b>Total (first year of implementation)</b>	<b>7,865 hours for 29 locations</b>
<b>Total (subsequent years) *Assuming 3 new licensees per year</b>	<b>452 hours for 3 locations/year</b>

Annual Compliance Program	Hours per Location	Total	Assumptions
Internal Control & House Rule Changes/Approvals	48	1,392	4 hours/month/location

Promotion Reviews/Approvals	72	2,088	2 promotions/location/month Review = 3 hours/location
Compliance Inspections Retail	72	2,088	6 hours/month/location
Compliance Inspections Mobile	36	1,044	3 hours/month/location
New Authorized Wager Request	40	1,160	2 new wager requests/location/year
Verify Unclaimed Winnings	6	150	
<b>Total/Year</b>	<b>268</b>	<b>7,922</b>	

Estimated # of Complaints per Year	Time to Resolve	Total Time To Resolve (includes writing a case report)
232	Average 1 hour	232
464	Average 4 hours	1,856
<b>696</b>	<b>TOTAL</b>	<b>2,088</b>

*\*Assuming 24 complaints/location/year, 1/3 resolved in 1 hour, and 2/3 resolved in 4 hours*

Additionally, similar to the reporting structure required in New Jersey, licensees would be required to submit each gaming day's wagering information and revenue reconciliation to WSGC. WSGC would then review any discrepancies and certify the reports for the Department of Revenue, thereby eliminating the need for additional revenue verification reported on Business and Occupation tax forms. Given that New Jersey uses 16 FTEs to process daily reports from 55 entities, we are assuming to start with a team of 7 FTEs (10,080 hours) for this function.

To prepare for regulation of this new activity, the Regulation Unit will need to undertake the following:

- Rules Development (includes Minimum Internal Control Standards) 200 hours
  - Compliance Program Development 100 hours
  - Educate and train WSGC licensing staff (26 staff x 40 hours) 1,040 hours
  - Educate and train new licensees (10 hours per location) 290 hours
- 
- |   |                     |
|---|---------------------|
| <b>Total Preparation Work</b>                   | <b>1,630 hours</b>  |
| <b>Total Regulatory Work (First Year)</b>       | <b>17,875 hours</b> |
| <b>Total Regulatory Work (Subsequent Years)</b> | <b>10,462 hours</b> |

### **Criminal Enforcement Unit (CEU)**

No fiscal impact to the Criminal Enforcement Unit as the unit is already staffing up for statewide enforcement activities under the prior initial authorization of sports wagering.

### **Electronic Gaming Laboratory (EGL)**

No fiscal impact to the Electronic Gaming Laboratory as the unit is already staffing up for review activities under the prior initial authorization of sports wagering.

### **Administration**

An increase in standard back-office functions, such as increased human resources, business office, and information technology services, is reflected in the 35% overhead rate for the agency.

## Attachment B: Licensing Unit Assumption Calculations on Senate Bill 5212

FIRST YEAR OF IMPLEMENTATION				SUBSEQUENT YEARS				
License	New Licensees	Initial Year Staff Hours	Total Hours	New Licensees Per Year	Initial License Staff Hours	Renewal Licensees	Yearly Renewal Hours	Total Hours Subsequent Years
<b><u>Organizational Licenses:</u></b>								
<b>Sports Wagering License</b> Card rooms, racetracks, and tribal casinos will be authorized for sportsbetting. Each non-tribal facility must have a sports wagering license prior to offering sports wagering	29	30	870	2	30	31	10	370
<b>Sports Wagering Operator</b> Sports wagering partners and software and system suppliers; Runs the sports wagering operation on behalf of the premise.	8	400	3,200	1	400	9	40	760
<b>Sports Wagering Service Provider</b> Sell, lease, offer, provide or distribute equipment, or provide integrity services or odds; Offers sports wagering components or services	13	15	195	2	15	15	5	105
<b>Sports Wagering Supplier/Processor</b> Entity that provides goods or services that affects the conduct of sports wagering; Payment Processors with access to player accounts, Data Warehousing, Marketing Affiliates with revenue share.	31	25	775	4	25	35	10	450

## Attachment B: Licensing Unit Assumption Calculations on Senate Bill 5212

<u>Individual Licenses:</u>								
<b>Sports Wagering Key Employee</b>								
Responsible for the operation of the sports pool. One per operator onsite at all time wagering is open; assumed to be four employees per location (this includes a cyber security official).	116	2	232	24	2	116	2	280
<b>Sports Wagering Employee</b>								
All person employed directly in wagering related activities conducted in a sport wagering lounge and online sports pool; assumed to be 12 employees per location	348	2	696	72	2	348	1	492
<b>Total Hours for Licensing Unit</b>			<b>5,968</b>					<b>2,457</b>
<b>Sub-Total for Non-Agent Time</b>			<b>1,339</b>					<b>863</b>
<b>Sub-Total for Agent Time</b>			<b>4,629</b>					<b>1,594</b>

**Attachment C: Position Breakout (in order as presented in Attachment A narrative)  
for Senate Bill 5212**

Units (in order of narrative presentation)	Positions and Fiscal Year					
		Gambling Special Agent	Special Agent Supervisor	Licensing Specialist	Management Analyst 4	Management Analyst 5
Licensing Unit	FY 22	4.5		1.3		
	FY 23	1.4	-	0.6		
	FY 24	1.4	-	0.6		
	FY 25	1.4	-	0.6		
	FY 26	1.4	-	0.6		
	FY 27	1.4	-	0.6		
Regulation Unit	FY 22	17.1	2.0			
	FY 23	9.2	1.5			
	FY 24	9.2	1.5			
	FY 25	9.2	1.5			
	FY 26	9.2	1.5			
	FY 27	9.2	1.5			
Daily Wager Audit Team	FY 22				7.0	1.0
	FY 23				7.0	1.0
	FY 24				7.0	1.0
	FY 25				7.0	1.0
	FY 26				7.0	1.0
	FY 27				7.0	1.0
Total	FY 22	21.6	4.0	4.0	7.0	1.0
	FY 23	10.6	4.0	4.0	7.0	1.0
	FY 24	10.6	4.0	4.0	7.0	1.0
	FY 25	10.6	4.0	4.0	7.0	1.0
	FY 26	10.6	4.0	4.0	7.0	1.0
	FY 27	10.6	4.0	4.0	7.0	1.0

*\*For every 5-6 FTEs, a supervisor was added to simulate how positions would fit into an actual organizational structure.*



## Attachment D: Cost Model by Object and Certain Relevant Sub-Objects for Senate Bill 5212

Program Title: All Agency

Title of Bill: SB 5212

Positions	Current		FY 22 FTEs	FY 23 FTEs	FY 24 FTEs	FY 25 FTEs	FY 26 FTEs	FY 27 FTEs	FY 22 Cost Est.	FY 23 Cost Est.	FY 24 Cost Est.	FY 25 Cost Est.	FY 26 Cost Est.	FY 27 Cost Est.	
	Range & Step	Monthly Salaries													Annual Salaries
Gambling Special Agent	EMS Band 1	\$6,493	\$77,916	21.6	10.6	10.6	10.6	10.6	10.6	\$ 1,684,510	\$ 823,975	\$ 823,975	\$ 823,975	\$ 823,975	\$ 823,975
Special Agent Supervisor	EMS Band 2	\$7,526	\$90,312	2.0	1.5	1.5	1.5	1.5	1.5	\$ 180,624	\$ 135,468	\$ 135,468	\$ 135,468	\$ 135,468	\$ 135,468
Licensing Specialist	42L	\$4,161	\$49,932	1.3	0.6	0.6	0.6	0.6	0.6	\$ 64,208	\$ 29,935	\$ 29,935	\$ 29,935	\$ 29,935	\$ 29,935
Management Analyst 4	60L	\$6,496	\$77,952	7.0	7.0	7.0	7.0	7.0	7.0	\$ 545,664	\$ 545,664	\$ 545,664	\$ 545,664	\$ 545,664	\$ 545,664
Management Analyst 5	64L	\$7,172	\$86,064	1.0	1.0	1.0	1.0	1.0	1.0	\$ 86,064	\$ 86,064	\$ 86,064	\$ 86,064	\$ 86,064	\$ 86,064
<b>Staff FTEs/Salary &amp; Wages Totals A</b>				<b>32.9</b>	<b>20.7</b>	<b>20.7</b>	<b>20.7</b>	<b>20.7</b>	<b>20.7</b>	<b>\$ 2,561,070</b>	<b>\$ 1,621,106</b>	<b>\$ 1,621,106</b>	<b>\$ 1,621,106</b>	<b>\$ 1,621,106</b>	<b>\$ 1,621,106</b>
<b>Employee Benefits: B</b>															
At 36% of Total Salaries	0.36									\$ 921,985	\$ 583,598	\$ 583,598	\$ 583,598	\$ 583,598	\$ 583,598
<b>Benefits Total:</b>										<b>\$ 921,985</b>	<b>\$ 583,598</b>	<b>\$ 583,598</b>	<b>\$ 583,598</b>	<b>\$ 583,598</b>	<b>\$ 583,598</b>
<b>Personal Service Contracts: C</b>															
<b>Personal Service Contracts Total:</b>										\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Goods and Services: E</b>															
EA Supplies	<i>Yearly</i>	\$1,200								\$ 39,487	\$ 24,810	\$ 24,810	\$ 24,810	\$ 24,810	\$ 24,810
EB Communications	<i>Yearly</i>	600								\$ 19,743	\$ 12,405	\$ 12,405	\$ 12,405	\$ 12,405	\$ 12,405
ED Rental & Leases (120sf x \$19.25)	<i>Yearly</i>	2,310								\$ 21,450	\$ 19,865	\$ 19,865	\$ 19,865	\$ 19,865	\$ 19,865
EG Employee Training	<i>Yearly</i>	1,250								\$ 41,132	\$ 25,843	\$ 25,843	\$ 25,843	\$ 25,843	\$ 25,843
Academy Trng (Field Agents only)	<i>One Time costs</i>	8,817								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EM Attorney General Services	<i>Yearly</i>									\$ 269,000	\$ 244,000	\$ 244,000	\$ 244,000	\$ 244,000	\$ 244,000
ES Vehicle Maintenance & Opns	<i>Yearly</i>	1,860								\$ 43,932	\$ 22,460	\$ 22,460	\$ 22,460	\$ 22,460	\$ 22,460
<b>Goods and Services Total</b>										<b>\$ 434,744</b>	<b>\$ 349,383</b>	<b>\$ 349,383</b>	<b>\$ 349,383</b>	<b>\$ 349,383</b>	<b>\$ 349,383</b>
<b>Travel: G</b>															
Travel Per Position	<i>Yearly</i>	\$2,400								\$ 78,973	\$ 49,619	\$ 49,619	\$ 49,619	\$ 49,619	\$ 49,619
<b>Travel Total</b>										<b>\$ 78,973</b>	<b>\$ 49,619</b>	<b>\$ 49,619</b>	<b>\$ 49,619</b>	<b>\$ 49,619</b>	<b>\$ 49,619</b>
<b>Capital Outlays/Equipment: J</b>															
Cubicle Equipment	<i>One Time costs</i>	7,000								\$ 65,001	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle (Agent ONLY)	<i>One Time costs</i>	30,000								\$ 708,587	\$ -	\$ -	\$ -	\$ -	\$ -
Computer		2,500								\$ 82,264	\$ -	\$ -	\$ -	\$ -	\$ -
Agent Equipment		9,256								\$ 218,623	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Equipment Total</b>										<b>\$ 1,074,474</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Administrative Overhead (35%)</b>										<b>\$ 1,219,069</b>	<b>\$ 771,646</b>	<b>\$ 771,646</b>	<b>\$ 771,646</b>	<b>\$ 771,646</b>	<b>\$ 771,646</b>
<b>Fiscal Note Total</b>										<b>\$ 6,290,316</b>	<b>\$ 3,375,352</b>	<b>\$ 3,375,352</b>	<b>\$ 3,375,352</b>	<b>\$ 3,375,352</b>	<b>\$ 3,375,352</b>

# Department of Revenue Fiscal Note

<b>Bill Number:</b> 5212 SB	<b>Title:</b> Sports wagering	<b>Agency:</b> 140-Department of Revenue
-----------------------------	-------------------------------	--

## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

Account	FY 2022	FY 2023	2021-23	2023-25	2025-27
GF-STATE-State 00 - 00 -	1,000,000	2,400,000	3,400,000	4,900,000	5,100,000
<b>Total \$</b>	1,000,000	2,400,000	3,400,000	4,900,000	5,100,000

### Estimated Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	2.7	1.7	2.2	0.3	
<b>Account</b>					
GF-STATE-State 001-1	439,300	209,500	648,800	74,800	
<b>Total \$</b>	439,300	209,500	648,800	74,800	

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/15/2021
Agency Preparation: Anna Yamada	Phone: 360-534-1519	Date: 02/03/2021
Agency Approval: Don Gutmann	Phone: 360-534-1510	Date: 02/03/2021
OFM Review: Ramona Nabors	Phone: (360) 902-0547	Date: 02/03/2021

Request # 5212-1-1

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

#### CURRENT LAW

Sports wagering is illegal except for:

- Sports wagering is allowed for Indian Tribes under RCW 9.46.360.
- Sports pools with a 100-square sports pool board is allowed under RCW 9.46.0336.
- Advanced deposit wagering are allowed for horse racings under RCW 67.16.260.

#### PORPOSED

This bill creates the sports wagering act, which authorizes sports wagering in Washington State through sports pools and online sports pools by cardrooms and horse racing tracks.

The bill grants the Gambling Commission (the Commission) the authority to license and regulate sports wagering at cardrooms and horse racing tracks. A sports wagering licensee may operate a sports pool in accordance with the provisions of this bill.

Wagers may be accepted from people within the state and those not physically in Washington if the Commission determines such wagering is not inconsistent with federal law or the jurisdiction where the person is located.

The Commission has the authority to charge a cardroom and a racetrack an initial license fee of \$100,000, and a renewal fee based on the expenses as required for regulations.

Section 15 of the bill creates a new excise tax on the gaming revenue for sports wagering licensees in the amount of 10% of the gaming revenue, which is the total amount wagered less winnings paid out. The Department of Revenue (Department) will collect and administer the tax.

Gaming revenue must be sourced to the location where the bet is placed, and reported to the Department, broken down by the locations where bets were placed.

Section 20 of the bill exempts business and occupation (B&O) tax on sports wagering activities.

#### EFFECTIVE DATE:

The bill takes effect 90 days after final adjournment of the session in which it is enacted.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

#### ASSUMPTIONS

- Gambling revenue in this estimate is the total amount wagered less winnings paid out, also referred to as "net win" or "gross gambling revenue (GGR)" in some sources.
- Washington Gambling Commission (the Commission) grants sports wagering licenses only to non-tribal cardrooms, horse racing tracks and off-track betting locations (Licensees).
- The Department administers a new excise tax of 10% on sports wagering revenue received by the Licensees.
- Taxable revenue from the Licensees includes the revenue from the bets placed online from outside licensed locations via a sports wagering portal operated by the Licensees.

- The bill allows online revenue from the bets placed outside Washington via portals operated by the Licensees as long as online sports wagering is legal in that location outside Washington. However, this estimate assumes the amount of taxable revenue from out-of-state betting would be indeterminate and it is not included in this estimate.

Calculation of Revenue Impact:

- There is no data to assess revenue impact from the proposed sports wagering activities in Washington.
- This estimate assumes that the gambling revenue estimates, methods and assumptions used in a study performed by Oxford Economics in 2017 for the American Gaming Association will serve as a proxy for a revenue impact in Washington under this proposed bill.
- Current gambling revenue from non-tribal cardrooms, horse racing tracks and off-track betting locations in Washington represents 6% of the total gambling revenue from both tribal and non-tribal locations.
- The share of sports wagering at non-tribal locations would be similar to the current gambling revenue shares.
- By allowing online sports wagering to the on-site cardroom locations, the sports wagering revenue would increase by 58%.
- There will be no impact to horse racing betting locations, where advanced deposit wagering is already allowed in Washington under RCW 67.16.260.
- Compliance with this new excise tax is assumed to be high due to the small number of eligible taxpayers and the enforcement by the Commission provided for in the bill.
- Gambling activities will grow by mirroring the Consumer Price Index (CPI) forecasted in November 2020.

DATA SOURCES

- Oxford Economics publication: Economic Impact of Legalized Sports Betting (2017)
- Washington Gambling Commission: Website information, Annual Report Fiscal Year 2019
- Washington Horse Racing Commission: Website information and Annual Report (2019)
- Economic Revenue and Forecasting Council, November 2019 forecast of Consumer Price Index (CPI)
- Other online information and data sources

IMPLEMENTATION DATE

This estimate assumes effective date of January 1, 2022, allowing for the implementation of a new tax by the Department. This will result in 5 months cash collection for Fiscal Year 2022.

REVENUE ESTIMATES

Revenues will increase by \$3.4 million in the 2022-23 Biennium, \$4.9 million in the 2024-25 Biennium, and \$5.1 million in the 2026-27 Biennium.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2022 -	\$ 1,000
FY 2023 -	\$ 2,400
FY 2024 -	\$ 2,400
FY 2025 -	\$ 2,500
FY 2026 -	\$ 2,500
FY 2027 -	\$ 2,600

Local Government, if applicable (cash basis, \$000): None.

**II. C - Expenditures**

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

**ASSUMPTIONS:**

- This bill affects 65 non-tribal card rooms, horse racing tracks, and off track betting locations.

**FIRST YEAR COSTS:**

The Department will incur total costs of \$439,300 in Fiscal Year 2022. These costs include:

Labor Costs - Time and effort equates to 2.73 FTEs.

- Testing system changes.
- Respond to additional emails, counter visits, and phone calls.
- Create a special notice to affected taxpayers and identify publications and web pages that need to be updated.
- Create new templates and forms.
- Create a new complex administrative rule.
- Answer interpretation and policy questions regarding this new tax.

Object Costs - \$92,400.

- Contracted system programming.

**SECOND YEAR COSTS:**

The Department will incur total costs of \$209,500 in Fiscal Year 2023. These costs include:

Labor Costs - Time and effort equates to 1.7 FTEs.

- Respond to additional emails, counter visits, and phone calls.
- Answer interpretation and policy questions regarding this new tax.

**ONGOING COSTS:**

Ongoing costs for the 2023-25 Biennium equal \$74,800 and include similar activities described in the second year costs. Time and effort equates to 0.3 FTEs.

**Part III: Expenditure Detail**

**III. A - Expenditures by Object Or Purpose**

	<b>FY 2022</b>	<b>FY 2023</b>	<b>2021-23</b>	<b>2023-25</b>	<b>2025-27</b>
FTE Staff Years	2.7	1.7	2.2	0.3	
A-Salaries and Wages	215,200	138,900	354,100	49,400	
B-Employee Benefits	77,500	50,100	127,600	17,800	
C-Professional Service Contracts	92,400		92,400		
E-Goods and Other Services	35,100	18,500	53,600	6,800	
J-Capital Outlays	19,100	2,000	21,100	800	
<b>Total \$</b>	<b>\$439,300</b>	<b>\$209,500</b>	<b>\$648,800</b>	<b>\$74,800</b>	

**III. B - Detail:** *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
EMS BAND 4	119,061	0.0		0.0		
EMS BAND 5	139,090	0.0		0.0		
EXCISE TAX EX 2	54,108	0.1	0.1	0.1		
IT QA-JOURNEY	85,644	0.1		0.1		
MGMT ANALYST4	70,956	0.4		0.2		
RECORDS MGMT SUPV	67,560	0.1		0.1		
TAX INFO SPEC 4	64,332	0.2		0.1		
TAX POLICY SP 3	82,344	1.5	1.3	1.4	0.3	
TAX POLICY SP 4	88,644	0.3	0.3	0.3		
WMS BAND 3	101,257	0.0		0.0		
<b>Total FTEs</b>		2.7	1.7	2.2	0.3	

**III. C - Expenditures By Program (optional)**

NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods*

NONE

None.

**Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

Should this legislation become law, the Department will use the complex process to adopt a new rule. Persons affected by this rule making would include card rooms and horse racing tracks.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5212 SB	<b>Title:</b> Sports wagering	<b>Agency:</b> 185-Horse Racing Commission
-----------------------------	-------------------------------	--

## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

NONE

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/15/2021
Agency Preparation: Seth Flory	Phone: (360) 407-8165	Date: 01/19/2021
Agency Approval: Seth Flory	Phone: (360) 407-8165	Date: 01/19/2021
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 01/27/2021

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Senate Bill 5212 would authorize sports wagering at cardrooms and racetracks.

While the Washington Horse Racing Commission (WHRC) has a role in licensing racetracks for business, this legislation does not provide WHRC with any additional revenue. Agency does not anticipate this legislation will create any new costs or expenditures.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

### III. B - Expenditures by Object Or Purpose

NONE

**III. C - Operating FTE Detail:** *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

### III. D - Expenditures By Program (optional)

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

### IV. B - Expenditures by Object Or Purpose

NONE

### IV. C - Capital Budget Breakout

*Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods*

NONE



**IV. D - Capital FTE Detail:** *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

## **Part V: New Rule Making Required**