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Dave Trujillo ([00:00:05](#)):

Mr. Chair, it is 1:01 PM. We do have all city commissioners and we do have our AG representative. Discretion is yours as to when we begin.

Chair Sizemore ([00:00:23](#)):

We'll give everyone about two or three more minutes and then we'll get started. (silence)

Dave Trujillo ([00:02:24](#)):

Good afternoon, everybody. If you've joined within the last two minutes, we're standing by to give a few more folks a chance to join us and share. We'll start the meeting momentarily. Standby, please. (silence)

Chair Sizemore ([00:02:50](#)):

Thank you, director Trujillo. So it's 1:05 according to my computer. So I believe that we can go ahead and begin. And so we will reconvene the January meeting, the question in state gambling commission, and welcome everyone. Mr. Director could you call the roll real quick?

Dave Trujillo ([00:03:16](#)):

Yes, Mr. Chair. Vice-chair Patterson, are you with us?

Vice-chair Patterson ([00:03:20](#)):

Here.

Dave Trujillo ([00:03:21](#)):

Thank you, Commissioner Levy.

Commissioner Levy ([00:03:28](#)):

Here.

Dave Trujillo ([00:03:28](#)):

Thank you, Commissioner King.

Commissioner King ([00:03:29](#)):

Here.

Dave Trujillo ([00:03:31](#)):

Thank you. Chair Sizemore.

Chair Sizemore ([00:03:35](#)):

Here.

Dave Trujillo ([00:03:36](#)):

For the record, you have four commissioners. We do not have a fifth commissioner at this time. You have a full slate.

Chair Sizemore ([00:03:42](#)):

All right, well thank you, Mr. Director, and as is completely obvious, we continue in our virtual mode. So I'll ask participants and attendees to please maintain mute while you're on the meeting unless you will be participating in a public comment or have something to contribute. We will use the raise hand function as best we can, and we'll just play it by ear other than that.

Chair Sizemore ([00:04:23](#)):

So to the extent that possible, please just maintain mute so that we can have a nice orderly meeting. With that, I will ask for each of you to take a moment of silence as a law enforcement agency, we have special agents that put themselves at risk along with the rest of the law enforcement community around the state and around the country. Two weeks into the year and we have seen line of duty deaths in both the state of Washington and across the country. So if we could please just take a moment of silence for those law enforcement offices who are no longer with us since last time we met. Thank you. (silence)

Chair Sizemore ([00:05:20](#)):

Thank you. So with that, we will jump into our agenda. And the first item on our agenda is our consent agenda, which includes our December commission meeting minutes and new licensees and class three employee licenses. Anything that needs to be added or taken off of the consent agenda? Hearing none. Is there a motion to approve the consent agenda?

Commissioner King ([00:05:57](#)):

This is Commissioner King, I so move.

Chair Sizemore ([00:06:01](#)):

Is there a second?

Vice-chair Patterson ([00:06:01](#)):

Second from Patterson.

Chair Sizemore ([00:06:07](#)):

It's been moved and seconded by Commissioners King and Patterson to adopt the consent agenda. All those in favor, please say aye.

Vice-chair Patterson ([00:06:15](#)):

Aye.

Commissioner King ([00:06:15](#)):

Aye.

Chair Sizemore ([00:06:15](#)):

Aye.

Commissioner Levy ([00:06:15](#)):

Aye.

Chair Sizemore ([00:06:20](#)):

Any opposed? Motion carries forward to zero. Next we have the director's report, director Trujillo.

Dave Trujillo ([00:06:32](#)):

Thank you, Mr. Chair. I've got some relatively short items for you today. The first one though is I want to let folks know that I've made mention of our AG representative present earlier today. That representative is not Suzanne to date. It is a return visit by Matt Conner. So we welcome Matt back today. He's filling in today for Suzanne. We expect Suzanne back at our next meeting, but I wanted to share that with you in case somebody was scrolling through the list of attendees and wondering where Suzanne was.

Dave Trujillo ([00:07:12](#)):

Next item is, we do not have a replacement commissioner yet. We expect one soon. As many of you are fully aware, legislative session is in full swing and you can expect that we will not have a lot of our heavy presence by our ex-officio members. Probably none today, we're very certain. I want to share with you, if you have not been to Olympia lately or have not been on Capitol campus, if you were to drive by Capitol campus, it looks a little bit differently. There is fancy new barricades up and there is uniform presence by national guard state patrol, and we might even see a few Thurston County deputies there.

Dave Trujillo ([00:07:55](#)):

So if you were to come to Olympia, I didn't want you to be surprised by any of that. Like I said, legislative session has kicked off in earnest and I will be attending weekly general government agency cabinet meetings. And then just a reminder that we, the Gambling Commission are a member agency with the Washington Association of Sheriffs and Police Chiefs, with that we are also beyond just a member agency, we are accredited by the agency. And then even beyond that, I am presently serving as an executive board member on that agency too. So, what I can tell you is that there's a lot of legislation coming forward that is going to impact law enforcement agencies.

Dave Trujillo ([00:08:38](#)):

And we know that some of these bills will touch us. So we may end up being a little busier this year for fiscal note purposes than we were last year. Short problem, gambling taskforce update, commissioner Patterson, I hope I don't steal any thunder, but I just wanted to share with all of you that the adult problem gambling prevalence study, the task force has crafted [inaudible 00:09:01] with a survey being launched in the summer of 2021 with other results due by June. But that's assuming the study and final report are approved to be pushed out for an additional year. Gambling Commission staff are going to be working to help this make this new timeline a reality.

Dave Trujillo ([00:09:23](#)):

There were more than 25 work group and core group meetings that the arm gambling council of course had. All them were virtual. And then the interim report was submitted to the legislature in 2020. We talked a little bit about that last month and I would encourage folks to go to the healthcare authority website to look at that because there's a nice glossary in the back of that report of common gambling and gaming terminology. And I encourage you to look at it because when you mix regulators and social and behavioral health folks together, terminology may be different.

Dave Trujillo ([00:10:04](#)):

And so what that report did was, it came to a common understanding for those taskforce members. Mr. Chair, the last item is I think many of you have become used to our reporting financially monthly to you. There has not been a lot of movement over the last couple of months with your permission. There's no presentation for you this month because there was not much change and it's our feeling that it's probably going to be more helpful than less cluttering up the agenda, if we report every two or three months, or if there's specific change.

Dave Trujillo ([00:10:45](#)):

It's not an item to vote on. I've touched base with most of you individually. I'm just looking to see whether or not there is a change to that, but that is our intent for the time being and for future commission meetings. With that Mr. Chair, if there's no questions that concludes my report.

Chair Sizemore ([00:11:08](#)):

All right, thank you, Dave. I will ask Julie Anderson. It appears we probably have one inadvertent hand up and I'll remind the public that there will be a period for public comment at the end of the meeting. And there may be a little public comment on particular issues through the agenda, but at this point, we're going to continue with the agenda. And if there's any public comments, those would be appropriate at the end of the meeting during that time.

Chair Sizemore ([00:11:46](#)):

So the next item on our agenda is a presentation related to Perry Technical Foundation. It is a request for a raffle prize limit approval. And based on the information I have, some or all of these folks may be present here. I have special agent Tina Antinson, Christina Cote, Darren Peters, and Trissa Shockley. So special agent, I assume you're going to lead us off.

Tina Antinson ([00:12:23](#)):

Yes, I am commissioner, thank you for your time. My name is Tina Antinson-

Chair Sizemore ([00:12:28](#)):

Sorry.

Tina Antinson ([00:12:28](#)):

... and I'm a special agent, that's okay, with the regulations division based out of Tri-Cities. And I am here today on behalf of Perry Technical Foundation, who is seeking commissioner approval to exceed the \$40000 single prize and \$300000 annual prize. They would like to raffle off a house that's estimated at about \$400000. Perry Technical Foundation was issued a raffle license in 2019. And this will be their second year requesting to exceed the \$40000 single prize and \$300000 annual prize. And I would like to now turn it over to Trissa Shockley, the director of foundation with Perry Technical Foundation.

Trissa Shockley ([00:13:28](#)):

Thank you, Tina. Hi everyone. My name is Trissa Shockley. I'm the foundation director. Commissioners and chairman, thank you for allowing us to be here with you today. We just completed our first raffle. We actually had the drawing occur this last Saturday. We definitely had an amazing experience going

through the raffle. We had several challenges that we had to work through with COVID primarily, but we would like to seek your approval to extend another year of this raffle.

Trissa Shockley ([00:13:57](#)):

We have high hopes of giving away a house on the second year. Unfortunately, I do have to report that we did not have the house as the prize for this first year. Ticket sales were below our estimated bottom line that we had requested to be 4000 minimum sales in order to give the house away. And we did fall below that, but we've got a lot of tactics and tools in place, and we are confident that we can do it again this year, but this time give it away.

Trissa Shockley ([00:14:25](#)):

I've got a presentation just to share with all of you to give you a little bit of insight about Perry tech, who we are as well as the foundation, which is the fundraising arm of Perry Technical Institution. Julie, if you could please start the presentation.

Julie ([00:14:42](#)):

Alrighty, give me just a second.

Trissa Shockley ([00:14:44](#)):

Thank you.

Dave Trujillo ([00:14:48](#)):

Mr. Chair, while Julie's bringing that up, that one hand that's still up is we don't have the ability for whatever reason to lower it. So it's going to continue to stay up.

Chair Sizemore ([00:14:56](#)):

It went down on my screen.

Vice-chair Patterson ([00:15:01](#)):

Oh, well, there you go. Ready?

Julie ([00:15:12](#)):

Ready. We termed our raffle, the win a home raffle. We had great community sponsorship, representation and interest in our raffle. We feel that the action and project is to raise proceeds for student scholarships. And at this time I'd like to move forward to the next slide. Thank you. The mission of Perry tech is to educate, empower and equip students for lifelong careers in industry. We are kind of a unique school in our area and we offer 14 different unique trade programs. Our goal is to fulfill the demand for highly skilled professionals as a nationally recognized institution known for our unique and relevant career training. Next slide. Perry Technical Institute was established in 1939. We have a long history in our community. We are established as a not-for-profit private institution. We've had more than 10000 graduates. We're at currently approximately 700 students offering 14 programs. And our percentage for placement and retention are high above industry standards at 94 and 81%. The important factor that I'd like to share with you today is that more than 85% of our students are receiving financial aid. So the need for financial support is very great.

Julie ([00:16:34](#)):

The school has gone through significant growth in the last 10 years and as our student population grows, so does our need for funding. Next slide. I just want to share a brief video presentation so that you understand the scope of this project. Go ahead.

Darren Peters ([00:17:03](#)):

So the reason we chose to build a house is because it exposes the students to virtually all aspects of construction, they're going to get a touch of every little thing. Whereas if we were to do a commercial project, we wouldn't have the time to go through everything because they're too big. So we felt that a house was something that we could do and complete in a year's time and get them appropriate training and go slow enough to where they could learn it. And the idea was for them to start something from scratch and be able to complete it and not leave or graduate with it two-thirds of the way done.

Speaker 1 ([00:17:40](#)):

Gosh, darn look at there.

Darren Peters ([00:17:45](#)):

So that's why we chose the house and that way it follows all of our curriculum in our book from learning the basics of how to use tools and safety to the concrete concepts, reading blueprints and all the way to do finish work and second cabinet. So it's a start to finish process.

Christina Cote ([00:18:03](#)):

The mission of Perry Technical Institute is to educate, empower and equip students for lifelong careers in the industry. This project is a great example of that. The students from our construction, electrical, HVAC and plumbing programs are collaborating together to build this home. This has been done before and we've seen the pride the students take in the craftsmanship and the project. And we're really excited for that.

Christina Cote ([00:18:34](#)):

We're also excited to be launching this raffle, which has never been done in this area. And we think that it's very unique. Someone who buys a \$100 ticket, is going to win a beautiful home.

Kalyn Flieger ([00:18:48](#)):

Well, when I first went to talk to Darren at Perry, he told him a little bit about the program and he told me we're going to be building the house. I'm like, oh, that's pretty cool. That's what I want to do, but I didn't think it was going to be this great, but honestly, there's no one else that could make this happen. If it was anyone else other than Darren, this wouldn't be possible because a lot of us have no experience at all doing this. And, it went from a patch of dirt to this place right here. So it's pretty cool.

Robbie Samson ([00:19:15](#)):

Working at the Perry house probably the favorite thing for me was to get to know and understand about teamwork and to understand and adapt it to the job I do. I work at [inaudible 00:19:25]. So the most favorite thing for me is to study where the pipes go, the vents go, how everything is so I can use it when I visualize it in my job. But mostly we have fun. We're doing work, serious work, but we're hanging out too.

Kalyn Flieger ([00:19:44](#)):

I think just looking at this house and then seeing how it is now, it's pretty cool. When I drive up, I'm like, I helped build that. And then we got the Kitchen Award for the best kitchen. And some of those guys that probably did some of the other homes have been in the industry for years. We haven't even been in this industry a year. So it's pretty cool that we were able to accomplish something like that.

Max Flores ([00:20:07](#)):

I met a lot of good guys here, and a lot of hard workers too. That's what I appreciate and I'm here for a career plus it would be a bonus to have a couple new people in my life. So, it feels great. Great experience.

Christina Cote ([00:20:22](#)):

So really it's a win-win for our school. Not only will our students get the hands-on experience of building a house in a collaborative manner with other programs, but they also have the opportunity to receive scholarships and that will ease the burden of their education. I'm excited for this project and I'm really looking forward to how it will impact the future of our construction related programs.

Trissa Shockley ([00:20:55](#)):

This video is a great representation of everything that this project brings together for the students, for their training, for their future in careers, as well as creating the funding for additional student scholarships. Can we go back to the presentation, please? There's some additional slides I'd like to share. There are four different programs that are combining their efforts to build this house. Primarily it's our construction students, electrical students, HVAC and refrigeration and plumbing students.

Trissa Shockley ([00:21:43](#)):

The house that we would like to begin on will be our third house that students have built. The first one that was shown in the video was more of a test model. We wanted to make sure that students could complete a house start to finish during the one year course that they're enrolled at Perry and they were definitely able to do it. As you could tell, it was a beautiful home. That home was sold for more than \$400,000. Right now the market is very strong in Yakima. There is a housing shortage, but all in all the goal was for students to learn the skills in their craft and doing so.

Trissa Shockley ([00:22:18](#)):

I would like to kind of go now towards Perry Tech foundation, which is the fundraising arm of Perry Tech. And the focal point of what we do is raising funds for students needs, for programs, for equipment and for scholarship funding. In 2019 and '20, the foundation gave more than \$420,000 in the form of scholarships and in 2018, '19 more than 400,000. As you can tell that there is some growth there. Over the last 10 years, the foundation has given out money in excess of \$4 million. I want to share with all of you that the profits from this current raffle, year that we just completed, 100% of those profits are going to go to student scholarships. We have two scholarship cycles per year, one in the spring and one in the fall that students apply for. And there are several facets involved in that procedure where students are applying, volunteers are reviewing and scoring the applications. And then we are giving out funds based on applicant scores. We do have a separate fund put together for the raffle profits, and that allows us to track those funds as to when they're being awarded and who are the recipients. We will follow a very similar line that we do with all of our other donations and scholarships available. Next slide please.

Trissa Shockley ([00:23:40](#)):

I wanted to share that the first house that was built, the costs to build it was 345000. That was our test model home. The second house that was part of the raffle cost us 283000. And the reason the cost was so much lower is because we did have donors support more than \$80000 in kind donations and discounts. I have all the various sponsors listed on the screen here. We had great support from our community. A lot of people are happy to support Perry Tech. They know what we do. They know the future of the students that we're preparing for them, for hiring. So it's a pretty easy partnership to get that going. Next slide please.

Trissa Shockley ([00:24:20](#)):

So as we just completed this year's raffle, we sold 2696 tickets for a revenue of \$269000. We're still settling our expenses, but currently what's estimated between 25 to \$30000 with an estimated award to the winner of 119. We had a rule built in that we had to sell 4000 tickets in order for the house to be the prize. And if we did not do that, then it was going to be a 50/50 split between the winner and Perry Tech after expenses were removed. Next slide. I wanted to show you a picture of the completed house. This is the house that was planned to be the prize. It has an estimated value of \$350000, 2245 square feet, three bedroom, two bath. And this home was beautifully built by our students.

Trissa Shockley ([00:25:07](#)):

This is a project that we are extremely proud to represent Perry Tech for. The students that come out of the programs who partnered on this are extremely proud of the final product. And we think that this is a very effective tool to move forward with fundraising for our organization. At the current time, we are making our plans to move forward with another raffle and we have already secured two sponsors who plan to be part of it at a donation of \$25000 total. So we are just seeking your approval today to go ahead and do another raffle. Do you have any questions for our group?

Chair Sizemore ([00:25:54](#)):

Are there any, excuse me, any questions? So I'm not sure if Tina, if you're going to go over the raffle plan or if it's in our packet, we can certainly review it. But I have a question about that. So I'll hold it if you're going to do a presentation on it, otherwise I'll ask.

Tina Antinson ([00:26:21](#)):

I was not going to do a presentation. So what is the question?

Chair Sizemore ([00:26:25](#)):

So one of the aspects were that the winner would be responsible for taxes and all of that. And then I also noticed that the winner must claim prize by March 31st. So what I was curious in, a little less than two months from the time of the drawing to win the prize would have to be claimed, are we confident that a winner can come up with the cash that's going to be necessary, I guess, to close on the house? I don't know how that works, or if you have, if anyone has any information about how that would work if financially the winner was strapped and unable to meet the closing costs or whatever that happens to be by that March deadline.

Tina Antinson ([00:27:28](#)):

Trissa, I'm going to let you answer this one.

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Trissa Shockley ([00:27:32](#)):

Thank you. So we are very confident that financing can be approved quite easily due to the equity that's on the house. Pretty much anyone should be able to get approved. Most home loans can be processed within 30 to 45 days, but we would be happy to extend that deadline if it made more sense. We just knew that we needed to put some sort of a timeframe into the raffle rules.

Chair Sizemore ([00:27:55](#)):

And I'll I guess lean on staff, whether there's any staff concern that we maybe need to extend that out an extra month or two. I don't know. I just don't want it to cause a problem.

Tina Griffin ([00:28:18](#)):

This is Tina Griffin, assistant director. When's the raffle drawing to be held?

Trissa Shockley ([00:28:30](#)):

It will be January 8th.

Tina Griffin ([00:28:33](#)):

And they have until March 31st. So, that is just about 60 days. Is that right? I'm sorry. My packet is electronic. So it's a little bit more challenging for me to flip from one thing to the other here.

Trissa Shockley ([00:28:55](#)):

It should be just about 80 days or so I think if I'm doing my math correctly.

Tina Griffin ([00:28:59](#)):

So they must claim by March 31st?

PART 1 OF 5 ENDS [00:29:04]

Assistant Director Tina ([00:29:00](#)):

So they must claim by March 31st. Okay. So almost 90 days. Chair, does that give you a bit more comfort or...

Chair Sizemore ([00:29:15](#)):

Yeah, I just, I would hate for the winner to not be able to claim the prize because it creates an economic burden to have won all this value, this great asset. But maybe that's not a concern.

Speaker 2 ([00:29:42](#)):

Would the date of April 30th be better just to have a little bit more of a longer window?

Chair Sizemore ([00:29:49](#)):

For me, I think it would probably give me a little more confidence in... the winner would have an extra 30 days, essentially, to figure out a plan if it's a financial burden to do that. Because if their first tax bill is due in April, that could be for some folks a pretty difficult initial tax payment.

Speaker 2 ([00:30:23](#)):

Sure. I'm happy for your recommendations. We are very flexible on what we incorporate as the rule on this.

Chair Sizemore ([00:30:32](#)):

Okay. Any other commissioners thoughts?

Assistant Director Tina ([00:30:40](#)):

Will that change anything? This is Tina, I'm sorry Chair, I should have raised my hand.

Chair Sizemore ([00:30:44](#)):

Sure, no, go ahead. You have the floor.

Assistant Director Tina ([00:30:49](#)):

Will that change any of your cost projections then as well, since you will have to absorb tax payments then as, potentially for the nonprofit?

Speaker 2 ([00:31:00](#)):

Wow. That's a really good question, one that I'm probably not prepared to answer. Christine, would you have any comments on that at this time?

Christine ([00:31:15](#)):

I don't think that would be a problem for us. And we're really willing to work with the winner of the house and getting the amount of tax that they need to actually take ownership. So our plan is to work with them. We've worked with a lot of different financial institutes and we've talked about, they know that we're doing this, and they're very willing to help in any way that they can. There are some barriers if the winner is unemployed, that could potentially be a problem. But we feel confident that, and I think given this extra time, that we will be able to work with the winner to make sure that this transition is smooth.

Chair Sizemore ([00:32:07](#)):

Okay. Thank you for that. Well then my recommendation would be to change the rules to reflect April 30th, rather than March 31st. But it will be up to the maker of the motion, if you wish to add that to your motion. Are there any further questions for either Tina or any of the Perry Foundation folks? Hearing none, is there a motion?

Commissioner Patterson ([00:32:54](#)):

Mr. Chair, this is Commissioner Patterson.

Chair Sizemore ([00:32:57](#)):

Vice-Chair Patterson.

Commissioner Patterson ([00:32:59](#)):

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I would like to make a motion to approve Perry Technical Foundation their request to offer a raffle prize in excess of \$40,000, and to exceed the annual raffle prize limit of \$300,000 for their license year that ends June 30th 2022. And all of this is based on them having a valid license with us.

Chair Sizemore ([00:33:29](#)):

Okay.

Commissioner Levy ([00:33:31](#)):

I'll second that motion. Commissioner Levy.

Chair Sizemore ([00:33:34](#)):

Okay. It's moved and seconded. So I'll ask maybe the director, do we need to include the modification to the raffle rules or can staff work that out?

Director Trujillo ([00:33:55](#)):

Mr. Chair, I believe that staff can work that out, but I would defer that to... Let's have Matt [Kernutt 00:34:01] earn his money today.

Chair Sizemore ([00:34:02](#)):

Oh, there you go. Dang it, I forgot.

Matt Kernutt ([00:34:11](#)):

Sorry. I was having some technical issues there. I'm now here. So repeat the question please.

Chair Sizemore ([00:34:18](#)):

Should we start the presentation over, Matt?

Speaker 2 ([00:34:21](#)):

No, I got most of it, [crosstalk 00:34:23] the video playing caused some problems though.

Chair Sizemore ([00:34:25](#)):

I'm sorry, I'm just kidding just a little bit. So we've had some discussion about their rules, the raffle rules, which currently is printed and in our packet, require the prize, the house to be awarded by the... or the winner to accept the prize by March 31st. And I've suggested moving that to April 30th. That seems to be acceptable to Perry Foundation and our staff seems to be willing to be able to work on that. So my question was, does that have to be included in our motion or can we allow staff to work out those rules, and our motion simply to approve they're exceeding the 40,000 and \$300,000 limits?

Matt Kernutt ([00:35:17](#)):

If the Commission wants modifications to the rules as a condition of their approval, my recommendation is that is in the motion.

Chair Sizemore ([00:35:28](#)):

All right, thank you. Commissioner Patterson.

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Commissioner Patterson ([00:35:33](#)):

I was just curious, Mr. Chair. The motion on the floor, did you want to make an amendment?

Chair Sizemore ([00:35:40](#)):

Well, I can step down from the Chair and make that amendment, or if you wish to add it to your motion.

Commissioner Patterson ([00:35:48](#)):

I think the Chair can make an amendment.

Chair Sizemore ([00:35:50](#)):

Can he? Okay. Matt, can the Chair make an amendment on a motion?

Matt Kernutt ([00:35:57](#)):

Yes.

Chair Sizemore ([00:35:58](#)):

All right. Then I will make a motion to amend, to modify the raffle rules. Let me get the wording right here, hold on just a moment. To allow the winner to claim the prize by April 30th of 2022, rather than March 31st of 2022. And that's the amendment. Is there a second to the amendment?

Commissioner Patterson ([00:36:38](#)):

Patterson seconds.

Chair Sizemore ([00:36:40](#)):

Okay. So it's been moved and seconded to amend the motion to modify the rules, to allow the winner to claim the prize by April 30th of 2022. Is there any discussion on that? Hearing none on the amendment. All those in favor, please say aye.

Commissioner Patterson ([00:36:59](#)):

Aye.

Commissioner King ([00:36:59](#)):

Aye.

Commissioner Levy ([00:36:59](#)):

Aye.

Chair Sizemore ([00:37:03](#)):

Aye. Any opposed? The amendment passes four to zero. So on the main motion, is there any further discussion? Hearing none. All those in favor, please say aye.

Commissioner Patterson ([00:37:19](#)):

Aye.

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Commissioner King ([00:37:19](#)):

Aye.

Chair Sizemore ([00:37:28](#)):

Can we do that one more time? Just so I can clearly hear everyone. All those in favor, say aye.

Commissioner Patterson ([00:37:34](#)):

Aye.

Commissioner King ([00:37:36](#)):

Aye.

Commissioner Levy ([00:37:36](#)):

Aye.

Chair Sizemore ([00:37:42](#)):

And Lauren were you an aye?

Commissioner King ([00:37:46](#)):

Yes.

Chair Sizemore ([00:37:47](#)):

Chair votes aye. Any opposed? Okay. Motion carries four to zero. So congratulations Perry Foundation. I would just add before we move on to the next item that I checked in and asked a few folks from the building and construction trades and they speak very highly of the work that you do and the preparation you do for those folks that become apprentices in the building and construction trades. So it was very nice to hear that you're a very well-respected institution.

Speaker 2 ([00:38:35](#)):

Thank you Chairman, we always appreciate hearing those kinds of words.

Chair Sizemore ([00:38:39](#)):

All right. Perfect.

Speaker 2 ([00:38:41](#)):

Commissioners, thank you so much for your time today.

Speaker 3 ([00:38:43](#)):

Yes. Thank you.

Chair Sizemore ([00:38:49](#)):

Excuse me. Thank you all. All right. With that, we will move on to tab three of our agenda, which is a rule petition for discussion and possible filing. Recording live play. It will be presented by Ashlie Laydon,

Rules Coordinator. And I am not going to butcher another name today, but the petitioner, first name is [Freddie 00:10:18]. Alicia, or Ash. Excuse me. I'm butchering names left and right today. Ashley. Are you present?

Ashlie Laydon ([00:39:28](#)):

I am. Can you hear me okay?

Chair Sizemore ([00:39:32](#)):

Yes. Give me a break-

Ashlie Laydon ([00:39:33](#)):

[Crosstalk 00:39:32]. Chair Sizemore, Commissioners and Ex-Officios, Freddie [Siyufy 00:39:37] of Olympia Washington is proposing to adopt rules for the recording of live play of table games and cardrooms for the purposes of marketing, advertising, and entertainment only. The petitioner feels this change is needed for advertising, modernizing, and bringing in a new marketing strategy in the form of entertainment opportunities for local cardrooms. The petitioner anticipates the only effect this rule change will have is in introducing a new marketing strategy and has emphasized that this would not be an expansion of gambling. I'm going to show you a clip from YouTube to give you a better idea of what concepts such as this look like before I move on. So give me just a moment here. (silence)

Ashlie Laydon ([00:40:40](#)):

Having technical difficulties. (silence)

Ashlie Laydon ([00:40:53](#)):

I think because I have too many screens open.

Chair Sizemore ([00:41:13](#)):

We'll give you a minute.

Ashlie Laydon ([00:41:14](#)):

Okay [inaudible 00:12:15]. I apologize. Here we go. Can you see it?

Chair Sizemore ([00:41:45](#)):

Yes.

Ashlie Laydon ([00:41:45](#)):

Okay. Can you hear it?

Speaker 4 ([00:41:50](#)):

All right guys, today we are doing a baccarat stream and we're going to be buying in for a \$1,000. Let's get started. So I'm going to put few bucks on the [inaudible 00:42:01] and I'm going to try it. They got this, the [inaudible 00:42:02] has got this new, the Dragon bonus. So it's fine. It's different than the Dragon Panda because this is commissioned, this Baccarat has commission. And I lost. It's okay though. All right. And so the way the Dragon bet works is that [inaudible 00:42:28] if you get a natural nine is

one-on-one or a tie it pushes... So I got a natural nine there so I won on that. And [inaudible 00:42:49]. And I lost. [Inaudible 00:43:00]. And I lost.

Ashlie Laydon ([00:42:59](#)):

Okay. So can you still hear me? Okay, perfect. So I just wanted to give you a little feel for, it's not exactly what the petitioner is proposing, but just to give you a better idea before I move on. And then the petitioner is present today so I'll let him further describe his proposal, but before doing so I want to just note some of the policy considerations that staff has with this. And I thought showing the video before I do that will better... you'll have a better idea of the concerns, with the video in mind.

Ashlie Laydon ([00:44:05](#)):

And so some of the concerns are with the definition of gambling information and RCW 9.46.0245, staff has concerns with that definition and whether the prohibition of sending gambling information over the internet will apply to this proposal, depending on how the internet is used to deliver content to social media platforms.

Ashlie Laydon ([00:44:29](#)):

Also the restrictions on observers or third parties wagering amongst themselves on the final outcome or the outcome of a player's hand. Cardroom licensees will need to provide input and approval of having this proposed activity occurring in their cardrooms. Additional cardroom security and surveillance requirements may be needed. The cardroom or the operator of this activity may need to be licensed and approved for this activity. Promotional and marketing restrictions may need to be considered. Streaming live or taped table action will need to be considered and regulated. And the equipment proposed for this activity may need to be reviewed during the rulemaking and for licensing purposes.

Ashlie Laydon ([00:45:13](#)):

And so I'll give the petitioner a chance to present his proposal, but keep in mind that under the requirements of the administrative procedure act, the commission must take action on this petition within 60 days of receiving it. Your options will be to accept the petition and initiate rulemaking proceedings by filing the rule as proposed for further discussion, or to deny the petition in writing, stating the reasons for denial and specifically address the concerns stated in the petition, or, where appropriate, indicate alternative means by which the agency will address the concerns raised in the petition.

Ashlie Laydon ([00:45:49](#)):

Staff has many legal regulatory and practical concerns related to the policy issue areas I just outlined. This rulemaking will take considerable staff resources, and because it's unclear at this time if there are cardroom licensee support for this petition, staff recommends denying and having the petitioner resubmit the request, if desired by the commissioners, once the activity has been better defined and there's industry-wide support. And with that, I'll turn it over to Mr. Siyufy to speak to his petition.

Chair Sizemore ([00:46:19](#)):

Thank you, Ashley. And Mr. Siyufy, if you can unmute yourself and put yourself on camera, that would be preferred.

Freddie Siyufy ([00:46:33](#)):

Okay, I don't know if you can hear me. I think I... Can you see me?

Chair Sizemore ([00:46:38](#)):

I can hear you but I don't see you.

Freddie Siyufy ([00:46:46](#)):

How about now?

Chair Sizemore ([00:46:47](#)):

Yep, we got you.

Freddie Siyufy ([00:46:50](#)):

Chairman, commissioners, I appreciate the time that you're allowing me to talk today. To be honest with you, I've been trying to do this for a few years now. I got the idea from watching YouTube and seeing it being performed in Vegas, is where I saw it at first. And I first saw it actually with slot machines. It is being done throughout the United States, and it has been since about 2017. It's actually being done here in the State of Washington on slots and on a table game or two. But I understand, I agree with the commission that I don't think it needs a rule change. In my opinion, what it needs to be is just put down parameters and guidelines and I need to obey them and the casino needs to obey them. But of course that's just how I think.

Freddie Siyufy ([00:47:47](#)):

I do think this is a great way to market and strategy. And the reason I say that is, they're doing this, like I said, throughout the nation, but more importantly, it's being done like with Xbox 360, it's been done with Minecraft, where people actually watch it. It's a great way to market and advertise. What I really want to do is I just want to entertain people because there is such a market for entertainment. People enjoy watching people do things.

Freddie Siyufy ([00:48:15](#)):

Mine would be a little bit different from the video that you saw, because what I want to do is I want to actually announce the game. If someone's playing, I just want to say that the player drew a six and the banker drew a seven and the player drew a two, therefore they have an eight, and something to that effect. And then the player wins the hand. I would have another person announcing with me that would explain... he would be the person that's like the color commentator that would say this is why that hand won, or this is why they think that hand won. It's just purely for entertainment purposes.

Freddie Siyufy ([00:48:49](#)):

I do have casinos that are interested, but I don't want to say who they are and I don't want to say how many, because if I did that, then what would happen was a bunch of people would start wanting to do what I'm going to do. And I know that that's going to happen in the future, if you were to approve it, whether it be now, five years, or 10 years from now, I know that that'll happen, but I just like to do my own thing for now.

Freddie Siyufy ([00:49:13](#)):

I'm not going to lie to you. I'm trying to make a little bit of money and that's where the marketing comes in, and the entertainment of course. I've talked to the gaming commission, they've been very honest and very good to me, actually. They told me the one thing about anything that happens in a casino is if it doesn't say you can do it, you pretty much can't. And I understand that. That's why I say, I don't think it needs to be a rule change, just define the parameters. And I know that I will follow them, and I believe that the casino would adhere that I did. I've looked at all their considerations and the biggest one I think would be the gambling over the internet. The biggest way, in my opinion, to get rid of that is we just don't do live streaming.

Freddie Siyufy ([00:50:02](#)):

That would hurt me in a sense because I did want to do something like on a Friday, Saturday night, on a weekend where I would live stream and people would watch and tune in and enjoy watching it. But if that's a concern, which I know it is, it's a legitimate concern, then I think you just have to get rid of that. But recording people and then later on, within a couple of days, putting on an internet and if the commission wanted to look at it or the casino wants to view it before I put it on my YouTube channel, I can completely understand that. Other than that, that's all, I just wanted to say that I do appreciate you guys listening to me. Thank you.

Chair Sizemore ([00:50:47](#)):

All right. Thank you. I will open it up to Commissioners. Any questions of Ashley or the petitioner?
Hearing-

Commissioner King ([00:51:07](#)):

Sorry. Commissioner King, Ashley does anything that was just mentioned alleviate any of staff's concern regarding this petition?

Ashlie Laydon ([00:51:22](#)):

I might direct that one to Tina.

Assistant Director Tina ([00:51:33](#)):

Thank you, Ashley.

Chair Sizemore ([00:51:34](#)):

Welcome back, Tina.

Assistant Director Tina ([00:51:36](#)):

So I not to pass the buck, but I think I'm going to have to have some help with the definition of gambling equipment, I think an attorney is going to have to weigh in on that. With... I know him as Freddy, and I apologize not being able to pronounce your last name, but with the petitioner's change in delivery, suggesting that they may not live stream, but could just record and post later, I'm going to have to get some help with the definition of gambling information.

Assistant Director Tina ([00:52:14](#)):

In regards to the other items listed. No, I don't think so, for the most part, we're still going to have concerns about third parties wagering, because there's going to be so much activity at that table, though

it's not going to be live streamed. Also the cardroom licensees, we need to have their input and they're going to be involved in this activity as well. And so for the most part, no, I don't think that it's going to alleviate many, if not any, of the policy considerations outlined.

Chair Sizemore ([00:52:53](#)):

Thank you, Assistant Director. Any other staff members present on the call that have input? All right, Lauren, did that cover your question?

Commissioner King ([00:53:13](#)):

Yeah, thank you.

Chair Sizemore ([00:53:14](#)):

Okay. I see Director Trujillo's area lit up.

Director Trujillo ([00:53:22](#)):

It did. Thank you, Mr. Chair. Just wanted to acknowledge petitioner's... Where he did say that this will continue to come up. I acknowledge that, I think that we have seen that with televised poker, et cetera. There is a market out there and there is an appetite for simply watching. I think I would be more apt to... and I do know that this petitioner did start talking with staff back in, I think it was early 2019. And I think our advice at that time was to to think about it, address some of the concerns, and then maybe come forward with a rule petition is where the petitioner comes today. But I think I would be more apt to continue to work with petitioner offline and not under a timeframe with the filing of a petition. Because like I said, I think this will continue to come forward. But I think that we do need some time to weigh in on the considerations that staff has raised. Thank you, Mr. Chair.

Chair Sizemore ([00:54:41](#)):

Certainly. Any other Commissioner comments, questions? I'll just raise one area that concerns me, and I'm not sure how we mitigate it, and I recognize that underage kids, they can get on the internet now and watch these types of videos. So it's not like we can eliminate that from the internet, but I do have a lot of qualms about the state sanctioning something like this and not necessarily knowing the breadth of where it could end up. And then haven't even fathomed the potential, especially in a live streaming scenario, of potential cheating situation. So yeah, this doesn't seem cooked to me at this point.

Chair Sizemore ([00:55:59](#)):

So with that, I guess one last time, any further questions of either Ashley or the petitioner? So Freddie, I'll go ahead and give you the last word before we take any action. Anything additional thing you'd like to contribute?

Freddie Siyufy ([00:56:26](#)):

Not really. I just, I appreciate the time, and I'd like to talk to Mr. Trujillo later on [inaudible 00:56:34]. Maybe make some amendments to it and hopefully some day, be able to do it.

Chair Sizemore ([00:56:39](#)):

All right. Thank you for that. Is there a motion?

Commissioner King ([00:56:47](#)):

This is Commissioner King. I move to deny the 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.

Chair Sizemore ([00:57:40](#)):

That is a motion. Is there a second? And if you can repeat the motion and your second, that'd be great.

Commissioner Patterson ([00:57:50](#)):

You aren't going to get a second that way, Mr. Chair. Second from Patterson.

Chair Sizemore ([00:57:56](#)):

All right. I will accept a second. So it's been moved by Commissioner King to-

PART 2 OF 5 ENDS [00:58:04]

Chair Sizemore ([00:58:00](#)):

... and Peter's, oh, excuse me, Commissioner King, to deny the petition in writing with the staff rationale and it's been seconded by Commissioner Patterson. Is there any further discussion? Commissioner Patterson.

Commissioner Patterson ([00:58:23](#)):

Thank you, Mr. Chair. 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 also 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 ([00:59:27](#)):

Thank you. Any further discussion? Hearing none, we will vote and I'll try to make sure I hear all the voices. So all those in favor of the motion to deny the petition, please say aye.

Commissioner Levy ([00:59:43](#)):

Aye.

Speaker 5 ([00:59:44](#)):

Aye

Commissioner Patterson ([00:59:44](#)):

Aye.

Chair Sizemore ([00:59:47](#)):

Aye. Any opposed?

Chair Sizemore ([00:59:52](#)):

Hearing, none motion carries unanimously and Ashlie, I caught your hand in the middle of the vote. What do you have for us?

Ashlie ([01:00:06](#)):

I maybe premature, but is there an opportunity for public comment on this?

Chair Sizemore ([01:00:18](#)):

You are very helpful, just a moment late but I think that we can certainly open it up for public comment, which I should have done. That's my responsibility as the Chair. I should have opened up prior to our vote.

Ashlie ([01:00:36](#)):

Okay.

Chair Sizemore ([01:00:39](#)):

Prior [crosstalk 01:00:40]

Ashlie ([01:00:39](#)):

I didn't mean to interrupt the...

Chair Sizemore ([01:00:41](#)):

No, no, I appreciate that. So we certainly always have the ability to reconsider our action if public comment were to sway us that way. So, I will open up the floor for any public comment. If there is anyone that would like to make public comment on this rule petition, please raise your hand using the raise hand function or through the chat box or lacking that, go ahead and just chime in. I'll check with Julia Anderson. Any activity in the chat box regarding this?

Julie Anderson ([01:01:30](#)):

Yep.

Chair Sizemore ([01:01:31](#)):

Okay. All right. With that, I'm not seeing any desire for public comment. The vote shall stand. I appreciate the admonishment, Ashlie. So, we'll now move on to tab four in our packet, which is a rule petition for discussion on possible filing online raffles. It will be presented by Ashlie Laydon, the rule coordinator and Patrick McBurney, petitioner. And before I give the floor over to you, I do want to thank Mr. Siyufy for bringing his petition forward and for his participation in this process, so... And then I see Director Trujillo's hand up.

Director Trujillo ([01:02:22](#)):

Thank you, Mr. Chair. I just wanted to let the petitioner know that we've got his contact information. I will reach out, likely not going to be this week or may not even be next week, but I do promise to reach out and we'll go ahead and reconnect. So wanted to share that with Freddy before he signed off.

Freddy ([01:02:46](#)):

Thank you very much.

Chair Sizemore ([01:02:47](#)):

Thanks Freddy.

Director Trujillo ([01:02:47](#)):

[inaudible 01:02:49].

Chair Sizemore ([01:02:53](#)):

Perfect. All right, Ashlie, I've introduced you and interrupted a couple of times but you now have the floor for tab four.

Ashlie ([01:03:01](#)):

Thank you. Chair Sizemore, commissioners and ex-officios, I don't believe that Patrick McBurney of Kennewic, Washington is present today, so I will be presenting this petition on his behalf. Patrick is proposing to amend WAC 230-11030, Restrictions On Ticket Sales, to either have section four, which states that organizations must not sell raffle tickets via the internet to be removed or to allow organizations who are raising money for charity or scholarships to be exempt from this requirement. The petitioner feels this change is needed because due to COVID-19, nonprofit and or charitable organizations are unable to engage in direct ticket sales, which has impacted their ability to raise funds, resulting in fewer dollars to help those in need. The petitioner feels the effect of this rule change will result in the ability to assist service clubs in transitioning to an online sales model, eliminating the need for person to person contact, enabling them to fundraise for charitable efforts. Under the requirements of the Administrative Procedure Act, the Commission must take action on this petition within 60 days of receiving it.

Ashlie ([01:04:12](#)):

Your options are to accept the petition and initiate rule making proceedings by filing the rule as proposed for further discussion or to deny the petition in writing stating the reasons for denial and specifically address the concerns stated in the petition or where appropriate, indicate alternative means by which the agency will address the concerns raised in the petition. Staff recommends denying the petition as RCW 946240 prohibits the sale of raffle tickets over the internet and the Commission cannot consider the change requested unless it is authorized by the legislature in the Gambling Act. And I welcome any questions you may have.

Chair Sizemore ([01:04:55](#)):

Thank you, Ashlie. Are there any questions of Ashlie? Seeing no others, I guess my only question and it's... I'm not asking for an exact number about this. If I recall correctly, this is the third or fourth similar rule petition we've received on this topic in the last six to eight months. Is that right, Ashlie?

Ashlie ([01:05:28](#)):

Yeah, I believe it's maybe the fourth that I've presented and then maybe two were withdrawn.

Chair Sizemore ([01:05:37](#)):

Okay. And in each of those other cases that we went ahead and let the petitioner know that ultimately this was a matter that needed to go before the legislature?

Ashlie ([01:05:53](#)):

Correct.

Chair Sizemore ([01:05:54](#)):

Okay. All right. Thank you for that. Any further questions for Ashlie?

Chair Sizemore ([01:06:04](#)):

All right. So I'll do it correctly this time. Is there any public comment on this rule petition for online raffle sales?

Chair Sizemore ([01:06:21](#)):

I am not seeing any raised hands I'll check with Ms. Anderson to see if we've got any activity in the chat room, email carrier pigeon?

Julie Anderson ([01:06:34](#)):

Nope.

Chair Sizemore ([01:06:35](#)):

Okay. Just not appear to be any public comment. Commissioners, is there a motion? I see Commissioner Patterson, you've unmuted

Commissioner Patterson ([01:06:51](#)):

I'll make a motion, Mr. Chair. So Mr. Chair, I would move to deny the petition because what I heard was that this commission cannot consider it unless it's authorized by the legislature and the Gambling Act. So we don't have the authority to consider this, it's what I understand.

Chair Sizemore ([01:07:15](#)):

Okay. Is there a second?

Commissioner Levy ([01:07:21](#)):

Second, Commissioner Levy.

Chair Sizemore ([01:07:23](#)):

Okay. It's been moved by Commissioner Patterson and seconded by Commissioner Levy to deny the petition as the authority to grant this online authorization resides with the legislature. Any further discussion on that topic? I guess, the only thing I would add is if this is voted down Ashlie, I suggest that

we just make sure that the petitioner, again like others, has been notified that it is up to the legislature. We'll provide the petitioner with contact information for their own legislators. And now's a great time because they're in session. So with that, all those in favor of denying the petition, please say aye.

Commissioner Patterson ([01:08:24](#)):

Aye,

Commisioner Levy ([01:08:25](#)):

Aye.

Speaker 5 ([01:08:25](#)):

Aye.

Chair Sizemore ([01:08:29](#)):

Aye. Any opposed? All right. Motion passes four to zero. Thank you all. Ashlie, are we done with you yet?

Ashlie ([01:08:44](#)):

I believe so. I believe that Brian is presenting on the next tab.

Chair Sizemore ([01:08:48](#)):

No, no. I got you one more time. I think you're on tab six.

Ashlie ([01:08:55](#)):

Correct, and seven.

Chair Sizemore ([01:08:56](#)):

I'll thank you for your efforts then.

Ashlie ([01:09:00](#)):

Okay.

Chair Sizemore ([01:09:00](#)):

Next on our agenda is tab five, which is rule up for discussion of possible filing Sports Wagering Pre-licensing Qualification, and it will be presented by Brian Considine, our legal and legislative manager. Brian.

Brian Considine ([01:09:17](#)):

Thank you, Mr. Chair, members of the committee, Brian Considine, legal legislative manager for the Gambling Commission. Tab five before you is a Sports Wagering Pre-licensing Qualification rule. We signaled this to you at last month's commission meeting. And what this proposed rule before you does, it authorizes the agency's pre-licensing investigation process for sports wagering while final licensing and regulatory issues are being negotiated through government to government negotiations. Currently this process is used for gambling license applicants for all other activities we license and certify. As it

says, this was sent out to Tribal representatives and stakeholders once the language was ready for public review to meet. I know that the chair wanted to have something for this meeting, so that was the timeline that we tried to get it for. As was discussed last month's meeting, looking to implement this to give possible sports wagering, licensees a head start on the licensing process.

Brian Considine ([01:10:19](#)):

Many of the possible vendors, licensees that would come into this space haven't worked with us before, haven't been licensed by us before. And I think staff feels and I know the Chair has indicated as well that this would potentially be a benefit for the agency and those organizations to get people into the queue. Typically pre-licensing investigation process takes about 60 or 90 days and that's minimum. It depends how complicated the organization is and how big it is. And this will allow potential licensees to enter into the process while the final licensing regulatory issues are being negotiated. Clearly there are some knowns about the final licensing rules as those are in confidential negotiations but we will continue to work with licensees. I'll talk about public comment here in a second because clearly there's good questions and understandable questions that have come up through this.

Brian Considine ([01:11:22](#)):

I will say in the best of my knowledge and surveying all of the other states that do licensing processes, we believe this is consistent and similar to many, if not all, states that are similar to a commission state like ours. Some public comments came in and those were provided to you earlier in this week and is in the packet. I'm unaware of any comments that have come in since last Friday. I believe that you have all the public comments. Of course, we did let folks know that they could comment here for verbal public comment but also public comment query doesn't end at this time, it will continue to go and if and when until I should say you were to take final action on this rule. Staff has carefully and spent quite a bit of time early this week talking about public comment, but do not feel changes are needed at this time to the specific rules.

Brian Considine ([01:12:22](#)):

We understand that there were concerns related to substantial interest holder, which is defined in our WAC and we've been letting folks know and we'll continue to talk with them. Substantial interest holder is a term that we have used for many, many years and is regularly something our licensing agents are used to working with organizations on. There were some comments related to passive investors. We feel confident these issues are regularly handled by a pre-licensing investigation process and is something that will work out in a way if they are actually passive in the way in which I think was being proposed. So we don't believe that there is a change needed at this time to deal with that because it's already subsumed into the process and we can rely on our current WAC definitions and pre-licensing process.

Brian Considine ([01:13:12](#)):

We'll continue to talk with possible applicants about the process and how we'll likely work with final licensing rules. There's going to need, if this rule were to pass, they'll need to be a bridge between this rule and the final rules and ultimately, I believe really the goal is, like I said, this is the pre-licensing investigation process. It takes some time, once you would complete this process, we wouldn't expect this process to be duplicated. So when the final licensing rules would come into play, you'd be able to rely on determination on this part and then take whatever final steps that we're including possibly identifying which licensing class you're applying you want to apply for and the fee that's associated with

it. So, should hopefully build some speedy time at the end into that. Also allows us to go through some of the APA timelines, which I'll talk about here in a second because as we always remember, the APA has imposed timelines at the different sections of this. So both, maybe it gets us a headstart on pre-licensing investigation for potential licensees and also gets us through some of the APA process as well.

Brian Considine ([01:14:32](#)):

We do recommend approving this language and filing it for further discussion. It keeps us option open. I know again, Mr. Chair, you've desired to try and get this into the pipeline and if it seems like it'll work to do it sooner rather than later. Earliest action that we would be able to take and if you do approve this rule today would be after February 23rd. What the APA requires is that it be filed and published. It has to be filed by, I think it's next Wednesday. The Code Reviser publishes typically the first and third Wednesdays of the month, and usually you have to file before. So, if you file by the third Wednesday of this month, that'll be published by the first Wednesday of next month, which is I think February 3rd. Which means then you have to wait 20 days before you can take any final actions, so you wait until after February 23rd, where you could call a special meeting, if it seemed appropriate to pass this rule quicker, or you could wait to, I believe it's March 11th, our March 11th meeting. Also, you don't have to take any action after you file this. I believe we have about 180 days or so before these rules would be withdrawn administratively. They expire, sorry. They would expire per the APA. And also much like we just have done recently, you could withdraw the rules at any time. And so with that, I'm happy to ask any questions and just in case Mr. Chair also remind about public comment.

Chair Sizemore ([01:16:05](#)):

Thank you, Brian. Any questions for Brian?

Chair Sizemore ([01:16:16](#)):

Not seeing any so, I'll make more of a comment than a question here. And that is the desire here is to be able to begin this process as soon as we can and reasonably start this work. There's hours and hours and hours of that investigatory work that needs to be done and I could only imagine how much people would be losing their mind if none of this work could begin until after the compact was published or after final rulemaking was made and published. So, there may be something that comes up before final action on these rules that would steer us away from completing this action. But I think the work that the staff has done in putting this together, putting it in front of us as a tool to help those future vendors and for sports wagering to be able to come online sooner at the end than it would otherwise, I think this is very prudent to do.

Chair Sizemore ([01:17:45](#)):

But I don't think it's a done deal. I have absolutely no desire to ram any rule through over a bunch of objections. I think that by bringing it forward, we're opening up the pipeline for communication. And if we miss something, we'll be able to fix it. So I'm a strong proponent of this action and I hope that we can support it, so... Sorry about that. Any further questions for Brian?

Chair Sizemore ([01:18:40](#)):

Doesn't seem like there's any further questions for you, Brian. So I will open this up for public comments. As a reminder, you can, certainly through the chat function, suggest you'd like to make public comment, use the raise hand function, or lacking the ability to do those things, if you would like to just go ahead and shout out. I am seeing a hand raise. So Dora G Smith, if you would like to take your

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cell phone off mute, go ahead and start your camera, preferably. We'll go ahead and hear your public comment.

Dora G Smith ([01:19:22](#)):

Okay, can you hear me?

Chair Sizemore ([01:19:28](#)):

Yes, I can hear you.

Dora G Smith ([01:19:29](#)):

Okay, good. Thank you. Thank you, Mr. Chairman and Washington State Gambling Commission members. I wanted to clarify on this particular agenda item. Are we discussing the legislation that is submitted, the addendum for 2021 in which, I believe it's Maverick is requesting additional legislation? Or are we discussing the legislation originally submitted last year? Or are we discussing discussing both? That was my question.

Chair Sizemore ([01:20:17](#)):

Thanks, Dora. I'm going to go ahead and turn that over to Brian.

Brian Considine ([01:20:23](#)):

Thank you, Mr. Chair. And hi, Ms. Smith. This isn't about the, the Maverick bill. I'll just call it that. That's going to be in a little bit in the meeting. This is about pre-licensing rules that relate to last year's bill that was signed into law and solely just authorized sports wagering at Tribal Casinos.

Brian Considine ([01:20:48](#)):

So if you're looking at that comment about the Maverick bill that I'm going to brief on the agenda, that's going to be in a little bit.

Dora G Smith ([01:20:57](#)):

Okay. Okay. Thank you.

Brian Considine ([01:20:59](#)):

You're very welcome.

Chair Sizemore ([01:21:01](#)):

All right, thanks Dora. If you can lower your hand as well, thank you. I believe the director has his hand up. And he's muted.

Director Trujillo ([01:21:21](#)):

Thank you, Mr. Chair. I think what I would do is defer my input until other members of the public have a chance to public comment. I do have some comment to relay, so I'll just stand by until the rest of the public has a chance, if you don't mind.

Chair Sizemore ([01:21:44](#)):

Okay. Fair enough. Then I will again allow anyone that would like to raise their hand to make public comments. Ms. Anderson, any activity in the chat area?

Julie Anderson ([01:22:06](#)):

No, sir.

Chair Sizemore ([01:22:07](#)):

Okay. All right. Last chance. Any public comment on the rule for pre licensing qualification and investigations? Okay. I'm not seeing any other members of the public of the 87 people in this meeting that would like to participate at this time. So I'll turn it over to you, Mr. Director.

Director Trujillo ([01:22:38](#)):

Thank you, Mr. Chair. As part of the stakeholder outreach process, you heard Brian share with you with whom the language was sent. I did participate in a meeting last week, that meeting was with the Tribal representatives and they received that as part of this rule making process. So I want to real clear about that. And I did hear some concerns and I want to express those concerns, but those concerns are going to be in my words because I didn't take notes and I didn't record anything. And so I will just generalize by saying that there was some concern about this proposed rule in particular, primarily because at that time they weren't sure if it does what it's intended. And the primary message is, if it doesn't do what's intended staff shouldn't waste their time and energy moving forward on this rule or expending time and energy on this rule.

Director Trujillo ([01:23:44](#)):

Having said that I would underscore Brian's recommendation to file the rule because it does preserve an option. It preserves an option that if this does what's intended and all parties find value to it, then we can continue to move forward. Or if it does not yet in the perspective of all, it can continue to be worked a little bit. But I would hate to not file it and then a month or two months now come back and say, well, we should have filed it. Because as Brian said, we can always pull it off for a variety of reasons. Mr. Chair, I just wanted to convey that and I'll pass the mic back to you if there are no questions for me.

Chair Sizemore ([01:24:33](#)):

All right. Thank you. Hold on just a second. Sorry. Right there. Sorry, we were updating a few things here. So, we've had public comment. I appreciate your input there, Mr. Director. So I think that brings us to any final questions or comments by commissioners. Seeing none. Is there a motion?

Commissioner Patterson ([01:25:30](#)):

Mr. Chair. I can make a motion. This is Patterson,

Chair Sizemore ([01:25:34](#)):

Mr. Patterson. Go ahead.

Commissioner Patterson ([01:25:35](#)):

Thank you, Mr. Chair, I move to file a draft language as presented by staff for public comment and further discussion.

Commissioner Levy ([01:25:42](#)):

Second.

Chair Sizemore ([01:25:46](#)):

Okay. It's been moved by Commissioner Patterson and seconded by Commissioner Levy to file draft language as presented by staff for public comment and further discussion. Any further discussion on this? We've done public comment, hearing none. All those in favor, please say aye.

Commissioner Patterson ([01:26:09](#)):

Aye.

Commissioner Levy ([01:26:09](#)):

Aye

Chair Sizemore ([01:26:12](#)):

Aye. Any opposed? Motion carries four to zero and thank you, Brian for that presentation and good work. We'll see you back here shortly. We'll now move to tab six, which is a rule up for final action regarding poll tab prize limits presentation by Ashlie Laydon, our rules coordinator. Welcome back, Ashlie.

Ashlie ([01:26:45](#)):

Thank you. Chair Sizemore, commissioners and ex-officios. In June, 2020, you accepted a petition and initiated rulemaking to consider increasing single cash prize limits, merchandise prize limits, and carry over jackpot prize limits and to consider payout and cash reserves...

PART 3 OF 5 ENDS [01:27:04]

Ashlie ([01:27:00](#)):

And carry over jackpot prize limits and to consider payout and cash reserve requirements, as it pertains to pull-tabs. In November, 2020, you chose to file draft language for further discussion. That language was filed with the Office of the Code Reviser and published in the Washington State Register issued 20-24-028, and was posted on our agency website. No further comments have been received. Staff recommends taking final action today on the proposed language, which increases single cash prize limits from \$2,500 to \$5,000, increases merchandise cash prize limits from \$2,500 to \$5,000, increases carry over jackpot prize limits from \$5,000 to \$10,000, requires operators to pay out a minimum of \$2,500 in cash for verified prizes and to pay out the remaining balance within 24 hours. Offers operators the option to pay out the remainder of the balance by check and requires the operators have funds available to pay out all cash prizes offered. In doing so, these rule changes would become effective on or after February 15th, 2021. And with that, I welcome any questions you may have.

Chair Sizemore ([01:28:13](#)):

Excellent. Thank you. Any questions for Ashley? This has been before us a few times. So, hearing no questions or comments for Ashley, is there anyone that would like to make public comment on this before we take final rule action? And again, raised hand function through the chat or if necessary just [inaudible 00:01:47]. I'm seeing no raised hands. Julie, I'll check, anything in chat?

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Julie Anderson ([01:28:57](#)):

Nothing in chat, no email.

Chair Sizemore ([01:28:59](#)):

Okay. With that, is there a motion?

Commissioner King ([01:29:05](#)):

This is Commissioner King. I move to approve filing for final action as presented, and effective 31 days after filing with the Office of the Code Reviser.

Commissioner Levy ([01:29:12](#)):

Second.

Chair Sizemore ([01:29:17](#)):

Okay. It's been moved by Commissioner King and seconded by Commissioner Levy, to approve the filing for final action as presented and effective 31 days after filing with the Office of the Code Reviser. Is there any further discussion on this rule? Hearing and seeing none, all those in favor, please say, "Aye."

Commissioner Patterson ([01:29:42](#)):

Aye.

Commissioner King ([01:29:42](#)):

Aye.

Commissioner Levy ([01:29:42](#)):

Aye.

Chair Sizemore ([01:29:49](#)):

Aye. Any opposed? Motion carries four to zero. Thank you all. And Ashley, you're not quite done. Looks like tab seven, another rule up for final action on scientific definition. You have the floor.

Ashlie ([01:30:08](#)):

Thank you. Chair Sizemore, commissioners and ex-officials, at the August, 2020 meeting, you initiated rule making to adopt a rule to define scientific as used in RCW 9.46.0209. In November, 2020, staff brought forth draft language, which you chose to amend prior for filing it for further discussion. The amended language was filed with the Office of the Code Reviser and published in the Washington State Register issue 20-24-027, and was posted on our agency website. No further comments have been received. Staff recommends taking final action on the language today. And doing so, the new rule would become effective on or after February 15th, 2021. And with that, I welcome any questions you may have

Chair Sizemore ([01:30:59](#)):

Any questions for Ashley? Doesn't appear to be any questions. So, we'll go ahead and open up for public comment. If there's anyone that would like to make public comment on this rule prior to final action, now it'd be at the time. Not seeing any hands raised, Julie Anderson, anything there?

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Julie Anderson ([01:31:30](#)):

Nothing in the chat and nothing on email.

Chair Sizemore ([01:31:33](#)):

Okay. Perfect. Thank you. Is there a motion?

Commissioner Patterson ([01:31:41](#)):

I can move it. Mr. Chair, this is Patterson.

Chair Sizemore ([01:31:44](#)):

Go ahead, Commissioner Patterson.

Commissioner Patterson ([01:31:46](#)):

I move to approve filing for final action as presented and effective 31 days after filing with the Office of the Code Reviser.

Commissioner King ([01:31:54](#)):

This is Commissioner King, I second.

Chair Sizemore ([01:31:59](#)):

Okay. It's been moved and seconded by commissioners Patterson and King to approve filing for final action as presented and effective 31 days after filing with the Office of the Code Reviser. Is there any last comment on or discussion on this item? All right. All those in favor, please say, "Aye."

Commissioner Levy ([01:32:25](#)):

Aye.

Commissioner King ([01:32:25](#)):

Aye.

Commissioner Patterson ([01:32:25](#)):

Aye.

Chair Sizemore ([01:32:28](#)):

Aye. Any opposed? Motion carries four to zero. Thank you all and thank you, Ashley. I believe that you are free for the rest of the day, maybe.

Ashlie ([01:32:44](#)):

Thank you.

Chair Sizemore ([01:32:46](#)):

That brings us now to tab eight in our agenda, which is a legislative update. And we have Brian Considine back, our legal and legislative manager. Welcome back Brian.

Brian Considine ([01:33:01](#)):

Thank you, Mr. Chair. For the record, Brian Considine, legal legislative manager for the Gambling Commission. Tab eight before you is the January, 2021 legislative update. Session started this Monday under very different circumstances due to COVID and everything is being done the way we're doing it now. Everything's through Zoom or Teams. And we'll see how that logistics... Last month, I think I briefed you on the fact that there probably be fewer bills and we weren't anticipating too many gambling related bills. And so far, that's holding, I think. There's an addendum today that I'll speak to, to the sports wagering bill that was introduced today. But I don't know if there's more than maybe one or two gambling bills that may come after this meeting. And if they do, I'll bring it to you for your attention and consideration at February's meeting, if they're still alive.

Brian Considine ([01:33:56](#)):

And so, I think just starting with the two, I'm not going to go through all of them. The one I'll just highlight real quick, just because I think it's helpful to know. Sometimes there are bills that are going to impact our licensees and even potentially the gambling act, even though it's a minimal impact. And that is the Nonprofit Corporations Act, Senate Bill 5034, sponsored by Senator Pedersen. And this is a bill that's been in the work for years. I've been around it in various different forms, including as my role this year as the chair of the WSBA Legislative Committee. And I know the goal of this was to essentially modernize our Nonprofit Corporations Act. And so to do that, they felt it was better to essentially create a new statutory site, create a new chapter, instead of just basically red line this whole chapter.

Brian Considine ([01:34:50](#)):

So, our gambling act is going to be modified. If this were to pass, just to update whatever the new statutory site's going to be. Nonprofits are going to be impacted in various different ways. I think just learning any sort of new rules or structure, quite frankly, just citation. Because, I think everyone for the last, probably couple of decades, have been used to citing to the current Washington State Nonprofit Corporations Act. And now, they're going to have to go someplace different. But just wanting to point that out there, that as something we're monitoring, we're keeping an eye on just to make sure something unintentional doesn't happen. But right now, everything's looking good from our end. It doesn't have really any gambling impacts, but it will have an impact on some licensees. For better or for worse, I don't know. But we know that it will have some impacts.

Brian Considine ([01:35:40](#)):

The one bill, before I get to the addendum sports wagering bill, to bring to your attention is House Bill 1022, relating to the Washington State Horse Racing Commission. The state horse racing commission a few years ago, had their statute amended to be taken out of general fund appropriation. I think there was an accident and then prohibiting general fund type of appropriation. So, what this bill, and it was filed last year as well, tends or tries, or what it does, is it would remove that barrier to where they could receive general fund appropriation. And this year's governor's budget, there's I think about \$300,000 that he's identified in his budget to be given to the horse racing commission. As we know, our sister agency has experienced some hard times, especially during COVID, and they desperately need infusion of some money for the regulation, the horse racing commission does for the regulation.

Brian Considine ([01:36:41](#)):

I know their Executive Director Doug Moore has reached out to us and has asked us if we can help support it. He has pretty minimal staff and normally doesn't have a whole lot of time to engage the

legislature on something like this. And so, I was already intending on bringing it to you for your review and discussion. And I think this is something that if you wanted to support it, that would then give me the go ahead to help our sister agency or needed. And I'll let Dave speak to this as well because I know he's been in conversations with Doug with it, and see if he thinks that's appropriate as well.

Chair Sizemore ([01:37:26](#)):

Director, go ahead.

Dave ([01:37:27](#)):

Thank you Mr. Chair and Brian. I do think that it is appropriate for us to work with horse racing commission where we're possible.

Chair Sizemore ([01:37:42](#)):

Thanks Dave.

Brian Considine ([01:37:45](#)):

So, Mr. Chair, I forgot to ask this at the beginning. I don't know if you want me to just go through the bills and then you make a decision as to what the commissioners, as to if you want to take any votes or if you want to do it bill by bill? What's your preference sir?

Chair Sizemore ([01:37:58](#)):

If you want to go through the whole spiel and then we'll parse them out afterwards.

Brian Considine ([01:38:06](#)):

Certainly. The other topic, just because we're clearly aware of it is, there's going to be a lot of law enforcement bills, understandably. And we're monitoring those. I want to say there's at least six to eight that are out there. Some may have an impact on us. Some may not have an impact on us. And so, I don't expect the bills that start to move, will stay in their previous version. So, really what we're looking at, we know the Washington Association of Sheriffs and Police Chiefs, and lots of other stakeholders in that area are working on these things. We're looking for the unintended consequence. And many times, we are unaffected. But sometimes every once in a while, somebody is trying to reach a result that may have an unintended consequence onto us, and have a negative significant impact on either our agency or a special agents.

Brian Considine ([01:38:56](#)):

Example of that might be qualified immunity, as you might remember for Commissioner King, just a good help. We, back in 2016 I think it was, had a civil immunity bill that we actually had passed through the legislature. And what it did, it mirrored what the parks agency received. Which was, for our agents, they're authorities under the gambling act. So, if for some reason they see something that's happening where there might be imminent bodily damage, domestic assault happening in a parking lot, local police officer or some other sort of thing where there's imminent bodily harm or substantial property damage, our agents could use their training and take action and then would have immunity. It doesn't say qualified immunity, but it mirrors the idea of qualified immunity.

Brian Considine ([01:39:53](#)):

I worked at the AG's office, I worked with qualified immunity quite a bit in the Department of Corrections and those sorts of areas. So, we're looking to make sure that a statute like that, somehow, basically isn't reversed. We spent a lot of time and energy and that's a protection, I think, our agents very much appreciated. And we want to make sure we keep that for those positions. I don't know if it's impacted or not, we're still waiting to see what happens. I also don't think the intent is to unwind something like that in those kinds of emergency situations. Anyways, just wanted to give an example because a lot can happen between now and February. And so, just trying to provide some background. Probably provide background and then we won't talk about it anymore, but just in case.

Brian Considine ([01:40:35](#)):

Lastly, the bill that was in your addendum was Senate Bill 5212, authorizing sports wagering at card rooms and racetracks. I attached both the bill. And I attached the summary sheet that the Mavericks lobbyists had sent us along with a copy of the bill for your use, so you can see what's out there. This bill, I've only had about 24 hours to review it. So, I'm doing my best, but I thought it was still the best idea to bring it to you. It looks very similar, if not in some sections identical to last year's bill that was backed by Maverick and the card rooms, Senate Bill 6277, which is also sponsored by Senator King. This year, it's sponsored by Senator King and Senator Liias, who's the House of Senate Democrat floor leader. And so, that's a new addition to the equation on this. The bill would authorize retail and online sports wagering licenses. I think they call them sports pools, but we'll get to terminology issues in a minute.

Brian Considine ([01:41:42](#)):

For card rooms and horse race tracks in the state, Gambling Commission is the primary regulator. There appears to be a 10% tax imposed, which was similar to last year. So, it was us as the primary state regulator. \$100,000 initial licensing fee is established with our ability to set that fee at an amount that could be the same or lower above, depending on going through, I'm sure rule-making process. Last year, I think it was at \$500,000, so it was brought down to \$100,000 as the initial fee. Each licensee, current licensee would be allowed a license and also one online sports book license, or allowed to operate one online sports book.

Brian Considine ([01:42:23](#)):

I know last year when we were going through this issue in the bill conversations, we had our five pillars. So, I put them in the memo. As a reminder, our pillars were licensing regulation, agency funding, money laundering, criminal enforcement, sport gambling integrity, and responsible gambling. I also remembered there were a lot of conversations about what parts of a bill may relate to these pillars. So, I just tried to identify the parts of the bill. There's a lot of different parts. So, I try to give a really high level summary as to the parts that would hit these pillars. And I think, whether they would adequately hit the pillars, I don't know, but I think they hit majority of the pillars, some more than others. As we've said in the past, clearly the commission has made this a policy call of the legislature as to what to authorize, not authorize. We, much like last year, I would expect would look for, are there regulatory concerns? Is why we established our five pillars. We believed that was the strong work of regulatory framework.

Brian Considine ([01:43:28](#)):

Are there technical concerns? And I would say for this bill, there are technical concerns. This bill, I think just because of the nature of taking some of the sections from last year, might not easily fit into the current law. We did amend a lot of the statutes for our purposes, for related to licensing, regulation, money-laundering, sport integrity, and those sorts of things. So, I think there need to be some work on

the terms and sections, as we're getting rid of duplication or inconsistent terms with what was established last year. I think there's probably some clarity needed on some of the licensing sections, just to make sure we understand what the expectation is for some of those sections.

Brian Considine ([01:44:20](#)):

And I think to channel the conversation we've been having for many years, but especially recently in the Problem Gambling Task Force and public meetings, is Problem Gambling is funded through... Could be through portions of a license fee and unclaimed winnings, half would go to the Problem Gambling account. I think the question that we would have, and I think there's been last year's bill, so we would've had the same question, which is, what they did because they're imposing a 10% tax? Or this bill would impose a 10% tax. Typically, taxes have been state and local, and then there's been a separate B&O tax. So, to impose the 10% tax, then you would omit the current B&O tax on games of chance. And that's the tax that has the 0.13 of 1% I believe, of gross revenues that goes towards Problem Gambling. Essentially the funding mechanism for the Problem Gambling account is off of that B&O, from a tax purpose, is off of that B&O tax, which then is being omitted in this bill because they're including a 10% tax.

Brian Considine ([01:45:30](#)):

So, the current unclaimed winnings plus licensing fees that may work, it may be more and maybe less than what's currently coming in, I think that's where a question we would have if that's sufficient. And we would want to probably talk with the health care authority and others, if they felt that would be a sufficient mechanism for that. But ultimately, from my perspective, there's a lot of technical issues, there's a lot of clarity that would be needed in the bill. But from a policy level, there are aspects of hit all of the pillars. And I think with that, it's probably good to pause and see if there are any questions.

Chair Sizemore ([01:46:21](#)):

So, any questions for Brian related to 5212? Not to mention anyone unmute. All right. Brian, go ahead. You can continue.

Brian Considine ([01:46:49](#)):

Those are the two that I recommend that you consider at least discussing and decide if there's any action. And neutral is totally fine, but we're neutral if we don't take any action, would be the horse racing bill. And just because of the commissioners' general desire last year to have a discussion and at least consider taking positions on sports wagering legislation, I do recommend that you at least have that discussion. There's no other bills at this time that I think are worth your attention as far as potentially considering for taking a vote on a position on.

Speaker 6 ([01:47:25](#)):

Budget.

Brian Considine ([01:47:26](#)):

Oh. Sorry, Mr. Chair. My bad.

Chair Sizemore ([01:47:29](#)):

Go ahead.

Brian Considine ([01:47:31](#)):

Budget. I don't know why I keep forgetting it, maybe because we're in policy bill. And so, the other aspects of our legislative priorities that we've discussed many times was, it was fortunate we had in the governor's budget, the \$6 million sport wagering loan extension to 2023. So, clearly we got in the governor's budget. You've already approved that so we'll continue to work on that. Though, we've talked about it at commission meetings and we've, both from the agency and from commissioners, I know we've sent letters. I think it would be good for the commissioners to take official action on supporting or staying neutral or whatever you choose to do related to the extension of the Problem Gambling Task Force deadline, and also extension of the prevalence study deadline.

Brian Considine ([01:48:19](#)):

I was going back through my notes and I don't know there was... We really don't do it before sessions. I don't think I ever asked you to take a formal pro or a position like that. I think I know what the position will be, but I think we've always wanted it to be an open public process. And so, that's why I'm bringing that to you. So, really, in my apologies, there's really four; there's the horse racing commission bill, the sports wagering bill, and then the two budget items for the Problem Gambling Task Force and the prevalence study. Thank you, Mr. Chair. That is all now.

Chair Sizemore ([01:48:53](#)):

Okay. Well, I'll let you reserve the right to add later if you want.

Brian Considine ([01:48:58](#)):

Thank you.

Chair Sizemore ([01:48:59](#)):

So, we'll maybe take them one at a time here then, from here. Thank you for your briefing, Brian. So, 1022 is the horse racing commission bill. And I think Brian makes a good case, that they're hurting, the industry's hurting. And their small request, the \$300,000 that the governor has included in his budget requires a statutory fix for them to be able to accept it. I don't know why we would oppose it. I would personally be supportive of that. Not that I would want Brian or our agency to spend a lot of effort on it, but certainly be able to be a supportive voice. Any other thoughts or concerns or discussion on that? Commissioner Patterson, I think I see you there.

Commissioner Patterson ([01:50:04](#)):

I was waving at my husband.

Chair Sizemore ([01:50:06](#)):

Oh. Tell him, hi.

Commissioner Patterson ([01:50:07](#)):

Ah, yeah. No, I'm with you on that. But my question is, how do you want to do this? Do you want to take a vote or you just want to have a consensus discussion?

Chair Sizemore ([01:50:21](#)):

I think if we want Brian to be supportive, then I think we do need to vote. And I would even give the public an opportunity to weigh in. Yeah. And again, I think we can ramp up or ramp down how much work Brian does on any particular issue. But my gut is, if we were to send a letter of support, that would be probably sufficient. And I see Brian's got his hand up.

Brian Considine ([01:51:06](#)):

Thank you, Mr. Chair. I was going to say, historically, you've taken a vote when you want it to support or oppose a bill. I don't know if you necessarily need to do that, but that's what you've historically done just to make it clear as to what the direction was. And then what you've indicated, I hear you as far as... We will prioritize as needed. And like you said, anything that is supportive or opposing, usually I draft a letter for the chair and we send it off and then we'll sign in support. And let legislators know when we talk, that we support certain things. But that'll be about the extent of it probably.

Chair Sizemore ([01:51:38](#)):

Okay. That answer your question. Go ahead, Julia.

Commissioner Patterson ([01:51:43](#)):

Well, in that case, Mr. Chair, I'd like to make a motion.

Chair Sizemore ([01:51:46](#)):

Would you mind if I allowed public comment first?

Commissioner Patterson ([01:51:50](#)):

However you want to handle it, sure.

Chair Sizemore ([01:51:52](#)):

Let's go ahead and do public comment and then I would take a motion. So, as the gambling commission considers legislative priorities, I would certainly open it up for public comment on House Bill 1022, which would be in support of the horse racing commission ability to accept general funds from the budget. Is there anyone that would like to make public comment? I am seeing no raised hands. I'm not hearing anyone unmute. Julie, anything there? You're muted, Julie. So, nothing there?

Julie Anderson ([01:52:52](#)):

Sorry. Nothing.

Chair Sizemore ([01:52:53](#)):

Okay. Perfect. Well, Commissioner Patterson, your emotion would be in order.

Commissioner Patterson ([01:52:59](#)):

Sure. Thanks, Mr. Chair. I'd like to move that the gambling commission provide a written... Or not written. That we support House Bill 1022, which is relating to the Washington State Horse Racing Commission.

Chair Sizemore ([01:53:21](#)):

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Okay. Is there a second?

Commissioner King ([01:53:21](#)):

This is Commissioner King, I second.

Chair Sizemore ([01:53:24](#)):

Okay. It's been moved and seconded for our agency to support House Bill 1022 in sport of the horse racing commission. Any further discussion? Hearing none. All those in favor, say, "Aye."

Commissioner Levy ([01:53:40](#)):

Aye.

Commissioner King ([01:53:40](#)):

Aye.

Commissioner Patterson ([01:53:40](#)):

Aye.

Chair Sizemore ([01:53:43](#)):

Aye. Any opposed? Motion carries four to zero. So, you've got that Brian. And unless somebody wants to split them, I would like to next talk about extending the Problem Gambling Task Force timeframe, as well as the prevalence study timeframe, as has been discussed. If we can do that all at once. Is there some discussion on that and Commissioner Patterson?

Commissioner Patterson ([01:54:18](#)):

No, I don't have. The discussion, I guess simply is that, due to COVID, the task force is asking the legislature to give them an additional year to complete their work, as well as additional time in order to do a statewide prevalence study, to determine the prevalence of gambling addiction in the State of Washington. And also, to do a statewide analysis of what services are currently being provided. So, we're asking them to give us another year for that prevalence study as well.

Chair Sizemore ([01:54:55](#)):

Okay. I am very supportive. Mr. Director.

Dave ([01:55:08](#)):

Thank you, Mr. Chair. Just a reminder that we have discussed this topic before this body and we even crafted a letter of support in favor of this. I was trying to think, what we're just looking for is that, that you are okay with us spending our time during legislative session pursuing this beyond the letter.

Chair Sizemore ([01:55:35](#)):

Commissioner Patterson, go ahead.

Commissioner Patterson ([01:55:38](#)):

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Mr. Chair, having heard that, you're not asking for us for a vote of support for the proposals or for the time extensions, you're asking us for a go ahead to staff to continue to support this over the course of the next year. Is that right?

Chair Sizemore ([01:55:59](#)):

Yeah. Essentially, and I'll have Brian correct me if I'm wrong.

PART 4 OF 5 ENDS [01:56:04]

Chair Sizemore ([01:56:00](#)):

I mean, essentially, and I'll have Brian correct me if I'm wrong, what staff is asking is for us to affirmatively support, which it will be a budget provisos, in order to extend the deadlines for both Problem Gambling Task Force and the prevalence study, is that correct Brian?

Brian Considine ([01:56:28](#)):

Yes, that's correct.

Chair Sizemore ([01:56:30](#)):

Okay. So yeah. So if there was a motion that would be what it is, is to support, but to proviso for extension of deadlines for both Problem Gambling Task Force and the prevalent study. So unless if there's any further discussion, without that I'll go ahead and open it up for public comment. If there's any public comments regarding the gambling commission support of extending the deadlines to the Problem Gambling Task Force and the prevalence study that we've discussed about today and in the past. Not seeing any hands raised and I am not seeing or hearing any microphones unmuting, anything from HQ? Nothing. Okay, is there a motion?

Julia Patterson ([01:57:32](#)):

Mr. Chair? This is Julia Patterson.

Chair Sizemore ([01:57:35](#)):

Go ahead. [crosstalk 01:57:36]

Julia Patterson ([01:57:37](#)):

Thanks. I'd like to make a motion that the Gambling Commission support the budget proviso that would result in an extension of the deadlines for the final report of the problem Gambling Task Force as well as for the prevalence study.

Chair Sizemore ([01:57:52](#)):

Okay, is there a second?

King ([01:57:52](#)):

This is commissioner King, I will second.

Chair Sizemore ([01:57:53](#)):

Okay. It's been moved by commissioner Patterson and second by commissioner King to support a budget provisos, excuse me, not a proviso. The budget provisos necessary to extend deadlines for the final report for the Problem Gambling Task Force and for the prevalent study. Any further discussion? Hearing none all those in favor, please say aye.

Everbody ([01:58:30](#)):

Aye.

Chair Sizemore ([01:58:34](#)):

Aye. Any opposed? Motion carries four to zero. Did you have something else commissioner Patterson? Your hand is still raised.

Julia Patterson ([01:58:44](#)):

Oh sorry,

Chair Sizemore ([01:58:45](#)):

No problem. All right so the next item is [5212 01:58:54] . So an expansion of sports wagering to commercial card rooms and mobile apps. Questions, comments, anything from commissioners?

Julia Patterson ([01:59:13](#)):

Mr. Chair, this is Patterson.

Chair Sizemore ([01:59:15](#)):

Yes Mr Patterson.

Julia Patterson ([01:59:16](#)):

I don't think it's sort of best interest to take a position on this proposal.

Chair Sizemore ([01:59:20](#)):

Okay.

King ([01:59:25](#)):

This is commissioner King. I think Brian touched on this earlier. I know there's public comment. It'd be helpful if maybe Brian to kind of re-summarize and then hear from the public. I do think it could potentially benefit us or be in our interest to take a position.

Chair Sizemore ([01:59:47](#)):

Okay. So Brian, I think we want to a little bit of a refresher. I know it was only 10 minutes ago, but yeah, if you could go over this kind of specific everything else is out of our minds, if you want to kind of go over what 5212 does and how we view it.

Brian Considine ([02:00:13](#)):

Certainly Mr. Chair and commissioner King just let me know if there's something that I'm missing, I'll do my best to restate it. So this allows for retail and online courts, wagering licenses for card rooms and

horse racetracks, gaming commission as a primary regulator, there's a 10% tax imposed that goes up to the general fund, a hundred thousand initial licensing fee and then the commission has authority to establish what the annual fee for licenses would be after that. Each licensee that is currently a card room would be eligible and could operate one online sports book. That's just kind of a quick summary of, I think the high points and then we last year looked through the lens of our five pillars, licensing and regulation, agency funding, money laundering, and criminal enforcement, sport and gambling integrity and responsible and problem gambling and the additional provisions.

Brian Considine ([02:01:14](#)):

I have that in my addendum, so I'm not going to reread them like I did last time. I think those areas do generally hit. This bill generally does hit and these areas, the concerns that I know that I and staff having, and quite frankly, this is really just me now that I think about it because we'll staff it tomorrow because we've had it for about 24 hours to look at it. But it had a lot of time to look at it last year as well was just the terminology, the use of terms. There's a lot of technical issues with this bill that is going to need to be worked out. I would say this is not fully baked. It's not ready, even if this is a policy, legislature wants to move forward.

Brian Considine ([02:01:56](#)):

I think you'll have to smooth out what's in this bill with what's currently in the sports, which currently in our gambling act after last year's sports wagering act was passed, including for example, this is still using the terms of sports pools and other terms like that instead of sports wagering, which is what the legislator search chose to use last year. Putting aside the tribal gaming piece of last year's bill, we amended lots of different statutes last year.

Brian Considine ([02:02:25](#)):

This one attempts to amend the same statutes maybe in the same way, maybe a little bit differently. We just have to kind of work through those. Also mentioned that the problem gambling piece, which I know we've been talking a lot about along with, in here, along with the Problem Gambling Task Force is funded through licensing fees. It doesn't specifically state, it just says licensing fees can go towards problem gambling and then 50% of annual unclaimed winnings from any of the card room or restruck licensees, only 50% of those winnings would be deposited into the state problem gambling account and I forgot to mention 50% would be kept by the operator and what we don't know because of how they've set up the tax, which at 10%, then they've exempted these licensees from the current BNO tax on games of chance and it's that BNO tax that has the prompt gambling percentage in it.

Brian Considine ([02:03:26](#)):

So what we don't know is if the ability to direct some stuff from licensing fees and the unclaimed winnings is consistent with what that 0.13% would be. If it's more, if it's less, those sort of things, there's a different problem gambling mechanism. I think that's generally... Oh, a couple of areas that this does cover, it keeps some of the collegiate prohibitions, I think or I believe it does allow for the same March madness brackets, it hits fantasy sports, I don't think it hits e-sports, but that was hit in last year's bill. So it would add some additional clarity around those because I don't think that currently March madness brackets or fantasy sports were considered in last year sports wagering bill.

Brian Considine ([02:04:20](#)):

It looks like they took the language from one of the bills that we were supportive of is it looks like it amends the sports cards. The cards they're called sports pools, it provides some clarity to those terms. So that's probably good, but I think it probably needs some work on that too. So I think those are the things that I can... I'm sorry, as I'm looking at my screens, both of the bill and my summaries of it, and what I've been able to see over the last 24 hours, I think probably or this is probably a good place to stop. I'm happy to answer any questions or if commissioner King, if there's an area that I might've mentioned before that I missed this time.

King ([02:05:05](#)):

I think that's helpful. Thank you.

Brian Considine ([02:05:08](#)):

You're very welcome.

Chair Sizemore ([02:05:11](#)):

Any, more questions to Brian, general comments? And commissioner King, I don't know if you were probably not watching or paying attention to gambling commission meetings a year and a half ago, but we, as a commission kind of took an approach whatever about 15 months ago or maybe 18 months ago of when considering something like this before the legislature that is, really under their purview, whether to expand gaming in a fashion like this and one of the things that we sought to do was to not put a thumb on the scale as far as, supporting or opposing necessarily that true policy discussion and decision by legislators, but simply more take a look at whether the legislation was crafted in a way that kind of met those five pillars that Brian pointed out and was constructed in a way that it made it feasible for us to have a good regulatory framework to work from.

Chair Sizemore ([02:06:41](#)):

If legislation amend five pillars, if especially in sports wagering and was something that the agency could work in a regulatory framework kind of way, then we could be neutral, if it was a bit of a mess or was difficult to administer or was unclear, created problems, then certainly we would probably opposed, but kind of neutral was a message from the agency that we can make it work. So I guess I'll ask each of you as commissioners whether you would like to take a different approach, whether you'd like to take that approach again or something different for sports wagering as it's come before us today?

Chair Sizemore ([02:07:39](#)):

Thoughts, questions, comments?

Alicia ([02:07:43](#)):

I think I still want to stick with that approach.

Chair Sizemore ([02:07:48](#)):

Thanks, Alicia.

King ([02:07:55](#)):

That approach sounds fair to me.

Chair Sizemore ([02:07:59](#)):

Julia, are you okay with continuing our approach?

Julia Patterson ([02:08:05](#)):

Yes I am.

Chair Sizemore ([02:08:05](#)):

Okay. So for me I guess that raises a question Brian to you as to if the legislation passed as it's written today, would it pass our master as far as it sounds like it's mostly hits all the pillars, but is it in a form that we as an agency could easily manage it.

Brian Considine ([02:08:38](#)):

I think we definitely have concerns. What we don't know honestly is if those concerns would be heard by the prime sponsors, I would suspect that they would, along with the stakeholders, including Maverick who are supporting this bill. I would say if it looks like they can get a draft or get to the point to where, they're meeting our kind of technical concerns and it's in a better state than our concerns would be alleviated. Which is somewhat similar to what we were running through before session and at the beginning of session last year. So to me, neutral with concerns, policy-wise I don't know much like you all indicated, I don't know if there's a need to oppose it from a policy choice, but from an implementation and a technical choice it's problematic at the moment.

Chair Sizemore ([02:09:32](#)):

Okay and I don't know Brian, whether you've been able to see a cut off calendar yet, I tried to do my best math off of one from two years ago and it looks like the committee cutoff is probably about a week after our February meeting. So I don't anticipate this moving through the process too awfully fast to where we wouldn't have input again at our February meeting. And I think we do have to kind of honor and recognize that it's a lot to put on you to be able to interpret that big of a bill in 24 hours for us to be able to really sink our teeth into everything that it has without missing anything. So I think it looks like unless you would dispute it, that there's certainly time for you to work with the prime sponsors or the sponsors and the lobbying groups that are advocating and see in February, whether there's something we would want to take a position on.

Brian Considine ([02:10:59](#)):

Thank you, Mr. Chair. So I was trying to pull up the joint resolution that I think was setting the dates. I agree though, that's where I was thinking is if for some reason our concerns technically or otherwise can't be addressed between now and the February commission meeting maybe there's more of a place to consider taking a different action than just being neutral and voicing our concerns. Of course I haven't had a chance to talk with anyone on the bill yet. So I expect much like last year they'll be a hearing, I don't know how much movement it's going to get and there's a lot can happen between now and February. So it may be a good idea to keep our neutrality and see what happens between now and our February meeting.

King ([02:11:46](#)):

So under the standard of looking at this to see whether it meets the five pillars and is constructed in a way for us to have a good regulatory framework to work from. I'm hearing at least initial impressions

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that it's not fully baked, but perhaps we have time and if we do have time to decide whether the standard is met later on, I'm fine with staff continuing to evaluate.

Chair Sizemore ([02:12:19](#)):

And I think that was towards you, Brian. Mute it again, there you go.

Brian Considine ([02:12:32](#)):

I'm sorry. There's like a three-second lag time and I can never tell if I actually am going to get unmuted. So yes, commissioner King, I think that's accurate.

Chair Sizemore ([02:12:42](#)):

Okay. Any last questions, comments for Brian before some public comments and we'll have another opportunity after public comment if we wish? Okay. So with that, I'll go ahead and open up for public comment and I assume Ms. Smith, that you would like to make public comment and I'll go ahead and make you first. So anyone else that would like to make public comment on the State Gambling Commission, taking a position on Senate bill 5212 related to sports wagering, please raise your hand or connect with us through the chat. So Ms. Smith, I think you need to unmute and you're up for public comment. If you can identify yourself and if you represent an organization for the record.

Dora Gowdy Smith ([02:13:41](#)):

Did I unmute, can you hear me?

Chair Sizemore ([02:13:43](#)):

Yep. I can hear you.

Dora Gowdy Smith ([02:13:44](#)):

Thank you, Mr. Chairman and members of the Washington State Gambling Commission. I appreciate learning-

Chair Sizemore ([02:13:52](#)):

Dora if you could identify yourself for the record and if you represent an organization.

Dora Gowdy Smith ([02:13:59](#)):

Dora Gowdy Smith, I'm the chair of the Yakima Nation Gaming Commission.

Chair Sizemore ([02:14:03](#)):

Okay thanks Dora.

Dora Gowdy Smith ([02:14:07](#)):

Thank you for sharing the information and the progress of this particular bill. 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. So I want to ask if Brian can just continue to keep the tribe Yakima Nation in the loop as to the status

and the progress and the projected timeline as a Washington State Gambling Commission Chair has asked in regard to what is happening on that and does a position need to be taken not only by Washington State Gambling Commission, but the tribes in regard to knowing what the facts are and understanding clearly what this is and can it be supported or not supported based on the facts. So I appreciate that.

Dora Gowdy Smith ([02:15:46](#)):

I also 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. So as we proceed in this initiative, I hope and ask that Washington State Gambling Commission and everyone involved, try to keep it as fair as possible. In this time of the pandemic everyone, including tribal casinos have a huge decline in revenues and not all the casinos are along I-Five, not all the casinos have the revenue stream that some of the I-Five casinos have. So please take that into consideration as you do your work on this. Thank you

Chair Sizemore ([02:16:59](#)):

Thank you, Dora and just, I guess as a comment, certainly our agency is always very open to asking or answering questions and having discussions, but I would be a little bit remiss if each individual or each entity was able to have Brian be their conduit to what was going on in Olympia and I'm not sure if you guys have a contract lobbyist or somebody in Olympia that is keeping track of things. But I think this very odd year of COVID-19, the legislature's probably more open and more transparent than usual. So I think that there's certainly every opportunity for individual citizens and entities to be able to keep track of what's going on in Olympia and I don't want there to be any misinterpretation that if some information didn't get to you that it was Brian's fault because he was supposed to tell you what was going on. So you understand that, does that make sense?

Dora Gowdy Smith ([02:18:25](#)):

Yes, I do and I'm sorry if I stated it incorrectly, I don't expect Brian to be our lobbyist. I expect the government relationship and communication and that communication would entail the process and the facts and a timeline in this proposed initiative.

Chair Sizemore ([02:18:50](#)):

Okay. Yeah thank you, Dora and yes we have very open line communications in the government to government for sure.

Dora Gowdy Smith ([02:19:00](#)):

Thank you.

Chair Sizemore ([02:19:01](#)):

Okay. Director Trujillo, I believe I see a hand raised there and you're muted. I'm sure it was brilliant.

Director Trujillo ([02:19:14](#)):

Thank you, Mr. Chair, two things, I wanted to welcome Dora to the meeting and it's nice to see her. I haven't been over to the East side of the mountains for a while and I just wanted to share with you that

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not only do we have Brian, but we've got Julie Lees, who's our tribal relations person. She's really trying to keep all of her many hats afloat and one of them is connecting with her own tribal counterparts there. So hopefully Dora, we will be able to keep informed as necessary or as we intend. So just be mindful and if we drop the ball, just give us a call. Thank you.

Chair Sizemore ([02:19:57](#)):

Yes thanks Dora. Is there anyone else that would like to participate in public comment? Seeing no hands raised I'm not hearing anyone unmute Julie I'll check one last time, anything on the chat or email?

Julia Patterson ([02:20:16](#)):

Nothing on the chat and no email.

Chair Sizemore ([02:20:18](#)):

Okay. All right. So commissioners is there a desire to take any position on 5212 at this point?

Chair Sizemore ([02:20:36](#)):

Not seeing anyone wishing to make a motion. I think we can all agree that any gambling related policy of this magnitude needs the fingerprints of the agency on it before it's ready to be passed. So I would certainly encourage those from Maverick, they are lobbyists. I know Brian's going to be reaching out to folks, but I'm completely supportive of those that are advocating for this legislation, reach out to Brian and he'll be happy to work with you. Brian your hand is up.

Brian Considine ([02:21:28](#)):

Thank you, Mr. Chair and I just re-missed, I finally found it, so February 15th I believe is going to be the cutoff date, I think out of committees and so that occurs after our February meeting. So you will have an opportunity to revisit this if needed.

Chair Sizemore ([02:21:44](#)):

Okay. Thank you for that update.

Julia Patterson ([02:21:47](#)):

Thank you, Brian. That's helpful and I take 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.

Brian Considine ([02:22:04](#)):

I think it would be accurate. I would probably, It looked like this was going to be the version that would pass, I'd say we'd probably not be supportive of that because it'd create a lot of problems, just technical problems.

Chair Sizemore ([02:22:21](#)):

Okay. Thank you for that Brian and does that complete your partial legislative report for 2021?

Brian Considine ([02:22:29](#)):

It completes my report for January. Thank you, Mr. Chair.

Chair Sizemore ([02:22:33](#)):

Awesome. Thank you. So we are fast approaching the end of our agenda. At this point, I would like to open it up for public comment on general topics or anything we dealt with today. So if there's anyone that wishes to just make public comment to the gambling commission here in our January meeting, please raise your hand, send a chat. We still have 66 people out there. So anything there, Julie?

Julia Patterson ([02:23:10](#)):

No sir.

Chair Sizemore ([02:23:11](#)):

I'm not seeing any hands, I'm not seeing anyone unmute. Commissioners anything that you would like to bring forward at this point? Not seeing anyone raise their hand. Director anything?

Director Trujillo ([02:23:33](#)):

No, sir not from staff's perspective the meeting can be closed.

Chair Sizemore ([02:23:40](#)):

You sure? I thought you had something for the end of the meeting.

Director Trujillo ([02:23:44](#)):

I do not.

Chair Sizemore ([02:23:45](#)):

You do not. All right, perfect. Well with that, I believe correct me if I'm wrong. Julia Anderson, Jan or February 11th/14th?

Julia Anderson ([02:23:58](#)):

11th.

Chair Sizemore ([02:24:00](#)):

February 11th is our next meeting. I can't fathom any other way to meet then the way we're meeting right now. So please keep your eye on the website or however you are made aware of our actions, but everyone be safe and we'll go ahead and close the January meeting of the Washington State Gambling Commission. Thank you all.

Julia Anderson ([02:24:28](#)):

Thank you.

Alicia ([02:24:28](#)):

Thank you bye.

King ([02:24:31](#)):

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Bye-bye.

PART 5 OF 5 ENDS [02:24:36]