



**WASHINGTON STATE  
GAMBLING COMMISSION PUBLIC  
MEETING - January 13, 2022**

Gambling Commission Headquarters  
Lacey, WA



STATE OF WASHINGTON

GAMBLING COMMISSION

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

Gambling Commission Meeting Agenda

Thursday, January 13, 2022

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

PUBLIC MEETING	
<b>Tab 1</b> <b>9:00 AM</b>	<b>Call to Order</b> <i>Bud Sizemore, Chair</i>  <b>*Consent agenda</b> <b>(Action)</b> <ul style="list-style-type: none"><li>December 7, 2021 Special Commission Meeting Minutes</li><li>New Licenses and Class III Employees License</li><li>Sports Wagering Vendor Reports</li></ul>
<b>Tab 2</b>	<b>*Special Olympics of Washington</b> <b>(Action)</b> <ul style="list-style-type: none"><li>2022 Western Washington Enhanced Raffle Plan Request</li></ul> <i>Roger Sauve, Special Agent</i> <i>Tony Czar, Special Agent</i> <i>Mary Do, Chief Operating Officer</i> <i>Mark Sinay, VP Accounting &amp; Administration</i>
<b>Tab 3</b>	<b>Presentation - Self-Exclusion</b>  <i>Tony Hughes, Special Agent Supervisor</i>
<b>Tab 4</b>	<b>*Default</b> <b>(Action)</b> <ul style="list-style-type: none"><li>Cuong Dang - CR 2021-00961</li></ul> <i>Adam Teal, Interim Legal Manager</i>
<b>Tab 5</b>	<b>*PETITION FOR RULE CHANGE</b> <b>(Action)</b> <b>Rule Petition to Amend</b> <ul style="list-style-type: none"><li>Card Room Surveillance</li></ul> <i>Ashlie Laydon, Rules Coordinator</i>
<b>Tab 6</b>	<b>*PETITION FOR RULE CHANGE</b> <b>(Action)</b> <b>Rule Petition to Amend</b> <ul style="list-style-type: none"><li>WAC 230-15-140 Wager Limits for house-banked card games</li></ul> <i>Ashlie Laydon, Rules Coordinator</i>
<b>Tab 7</b>	<b>*PETITION FOR RULE CHANGE</b> <b>(Action)</b> <b>Rule Petition to Amend</b> <ul style="list-style-type: none"><li>Use of an iDROP kiosk</li></ul> <i>Ashlie Laydon, Rules Coordinator</i>
<b>Tab 8</b>	<b>*RULE UP FOR DISCUSSION ONLY</b> <ul style="list-style-type: none"><li>Chapter 230-19 WAC - Sports Wagering</li></ul> <i>Ashlie Laydon, Rules Coordinator</i>

		<i>Julie Lies, Tribal Liaison</i>
<b>Tab 9</b>	<b>Legislative Update</b>	<i>Tommy Oakes, Interim Legislative Liaison</i>
<b>Tab 10</b>	<b>Director Hire Update</b>	<i>Lisa Benavidez, HR Director</i>
	<b>Public Comment</b>	
	<b>Executive Session – Closed to the Public</b>	<i>Bud Sizemore, Chair</i>
	Discuss potential agency litigation with legal counsel, including tribal negotiations.	
<b>Public Comment can be provided:</b>		
<ul style="list-style-type: none"> <li>• Before and during the Commission meeting you may email <a href="mailto:Julie.Anderson@wsgc.wa.gov">Julie.Anderson@wsgc.wa.gov</a> ; or</li> <li>• During the meeting you may use the Microsoft Office Teams Chat Box;</li> <li>• If you are attending the meeting by phone, we will offer you an opportunity to comment.</li> </ul>		
	<b>Adjourn</b>	

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



STATE OF WASHINGTON  
GAMBLING COMMISSION

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

December Special Gambling Commission Meeting Minutes  
Virtual Meeting  
\*December 7, 2021

**Commissioners Present:**

**Bud Sizemore, Chair (Lacey HQ)**  
**Julia Patterson (Via Teams)**  
**Alicia Levy (Via Teams)**  
**Sarah E. Lawson (Via Teams)**

**Ex Officio Members Present:**

**Senator Steve Conway (Via Teams)**  
**Senator Holy (Via Teams)**  
**Representative Shelley Kloba (Via Teams)**

**Staff Present – Virtually:**

Tina Griffin, Interim Director (ID); Kriscinda Hansen, Chief Financial Officer (CFO); Lisa Benavidez, HR Director (HRD); Julie Lies, Tribal Liaison (TL); Oakes, Interim Legislative Liaison; Tony Hughes, Special Agent Supervisor; Ashlie Laydon, Rules Coordinator (RC); Julie Anderson and Suzanne Becker, Assistant Attorney General (AAG).

**Executive Session**

**Chair Sizemore** called the public meeting to order at 9:02AM. Interim Director Griffin called the roll to ensure a quorum for Executive Session. Chair Sizemore, Vice Chair Patterson and Commissioners Levy and Lawson joined Senator Conway, Senator Holy and Representative Kloba for executive session to discuss potential agency litigation with legal counsel, including tribal negotiations. Executive Session adjourned at 12:00 PM.

**Public Meeting**

**Chair Sizemore** reconvened the public meeting at 12:36 PM. He asked ID Griffin to call the roll to ensure a quorum. He asked for a moment of silence to acknowledge any law enforcement officers that have been lost since the last time the commission met.

**Tab 1**

**Consent Agenda**

*Commissioner Levy moved to approve the consent agenda as presented by staff.*

*Commissioner Patterson seconded the motion.*

*The motion passed. 4:0*

**Interim Director's Report**

**Interim Director Tina Griffin** provided a brief update on the latest Tribal casinos to open sports books within their facilities. Stillaguamish and Kalispel opened their retail counters and kiosks are currently on site and should be functioning soon.

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

**Tab 2**

**Presentation – Financial and Licensee Update**

Kriscinda Hansen, CFO presented the materials for this tab. CFO Hansen provided information on the agency’s financial status between July 2021 through October 2021.

**Chair Sizemore** asked for continued quarterly updates to the commission. The next scheduled financial update is scheduled for February 2022.

**Senator Conway** asked if sports wagering was on the rise referencing the presentation. CFO Hanson replied that revenue reported on the slide for sports wagering was in reference to the licensing fees for sports wagering vendors.

**Tab 3**

**Chapter 230-23 WAC- Self-Exclusion.**

**Ashlie Laydon, Rules Coordinator** presented the materials for this tab. RC Laydon reiterated the information regarding self-exclusion that the Commissioners have had before them at the last few commission meetings. Currently, this tab is up for final action. Staff recommends final action be taken on this language today, making the rules effective on May 1st, 2022.

**Public Comment**

There was no public comment.

*Commissioner Patterson moved to approve final action on the rules presented by staff with an effective date of May 1, 2022.*

*Commissioner Levy seconded the motion.*

*The motion passed 4:0*

**ID Griffin** stated that SAS Hughes will be seeking the Commissioners input in January on the self-exclusion program performance measures.

**Tab 4**

**Chapter 230-19 WAC- Sports Wagering.**

**Ashlie Laydon, Rules Coordinator** presented the materials for this tab. RC Laydon stated that at the July 2020 meeting, commissioners chose to initiate rule-making to adopt new rules and amend current rules in order to implement the new sports wagering law. At the October 2021 meeting, commissioners chose to file draft language for further discussion. That language was filed with the Office of the Code Reviser on October 19th, 2021 to be published in the Washington State Register and was posted on our agency website.

Feedback was received from the honorable Ron Allen, Tribal Chair and CEO of Jamestown's S’Klallam Tribe on behalf of Washington Indian Gaming Association. Based on that feedback, staff has made some proposed changes to the following rules to clarify our intent that the rules are consistent with tribal-state sports wagering compact amendments. Tribal Liaison Julie Lies walked through the changes proposed for the sports wagering rules. Those rules are:

- WAC 230-19-005(9)- Definition of “unusual wagering activity”.
- WAC 230-19-025- Sports wagering integrity. (Removed.)
- WAC 230-19-030- Integrity monitoring provider requirements. (Renumbered as WAC 230-025.)
- WAC 230-19-035- Sports wagering system requirements. (Renumbered as WAC 230-19-030.)
- WAC 230-19-040- Geofence and geolocation requirements. (Renumbered as WAC 230-19-035.)

Chair Sizemore asked for public comment.

**Public Comment**

Rebecca George, Executive Director of the Washington Indian Gaming Association thanked staff for their work and supports the recommendations.

**ID Griffin** read into the record the proposed new rule. WAC Chapter 230-19-001 Purpose. *Tribes in Washington State have more than twenty years' experience with, and a proven track record of, successfully operating gaming in accordance with tribal-state compacts. Therefore, we and the tribes have a proven track record of successful regulation of gaming in accordance with respective tribal-state compacts. Therefore, it is our intent that these rules reflect and honor the agreements in tribal-state compact. To the extent any rule in this chapter conflicts with the tribal-state compact of the tribe where the sports wagering is taking place, the sports wagering vendor must follow the tribal-state compact in furtherance thereof.*

**ID Griffin** indicated that the staff's recommendation is that Commissioners file for further discussion, which means refile the CR 102 and seeking public comment, on the proposed rules as outlined in your packet and the proposed new rule.

***Commissioner Levy moved to refile the CR 102 and seek public comment on the proposed rule changes as outlined in a new rule that includes most of Chairman Allen's proposed language. Commissioner Patterson seconded the motion.***

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

**Tab 5**

**Applying for a gambling service supplier license.**

**Ashlie Laydon, Rules Coordinator** presented the materials for this tab. RC Laydon stated that in 2020, Commissioners initiated rule-making to amend and adopt rules for both electronic raffles and sports wagering. This rule making has resulted in the need to amend WAC 230-03-210, Applying for a gambling service supplier license, to include performing the testing and certification of sports wagering systems and gambling equipment, as required by Title 230 WAC, as services requiring a gambling service supplier license. At the October 2021 public meeting, Commissioners chose to file draft language for further discussion. No additional feedback has been received.

Staff is recommending approval for final action.

**Public Comment**

There was no public comment.

*Commissioner Patterson moved to approve final action on the rules presented by staff and to be effective 31 days after filing with the Office of the Code Reviser.*

*Commissioner Levy seconded the motion.*

*The motion passed 4:0*

**Tab 6**

**Minimum cash on hand requirements.**

Ashlie Laydon, Rules Coordinator presented the materials for this tab. RC Laydon stated that at the August 2021 public meeting, Commissioners accepted a petition and chose to initiate rule-making to address minimum cash on hand requirements, including keeping jackpot money in a separate, off-site bank account rather than on the premises. At the October 2021 public meeting, Commissioners chose to file draft language for further discussion. The petitioner feels the effect of this rule change would reduce the risk of burglaries, theft, misappropriation of funds associated with having large sums of cash on the premises. The petitioner feels that this rule change would allow for increased accountability and tracking of funds as financial institutions are heavily regulated and maintain numerous records for various regulators, both at the federal and state level.

Staff recommends final action be taken, making the rules effective 31 days after filing with the Office of the Code reviser.

**Public Comment**

There was no public comment.

*Commissioner Levy moved to approve final action on the rules presented by staff and to be effective 31 days after filing with the Office of the Code Reviser.*

*Commissioner Patterson seconded the motion.*

*The motion passed 4:0*

**Tab 7**

**Rule Petition to Repeal**

**WAC 230-13-090, Adult supervision of unattended amusement games**

Ashlie Laydon, Rules Coordinator presented the materials for this tab. The petitioner (anonymous) is asking for the repeal of WAC 230-13-090, Adult supervision of unattended amusement games. WAC 230-13-090 requires that operators of unattended amusement games (coin activated games) provide adult supervision at all locations where school-aged minors (anyone between the ages of 6-17) are allowed to play amusement games during all hours of operation. The petitioner feels this change is needed because these games are self-service and operated elsewhere, such as at department stores and restaurants, without requiring an employee to oversee the game and therefore does not feel this requirement is necessary at a shopping center either. If the rule cannot be repealed, the petitioner would like the option to monitor amusement

games using video surveillance and have security remove school-aged minors, if present, during school hours.

Staff recommends denial of this petition because the change being requested is required by RCW 9.46.0331, which is a change that would have to be made by the Legislature.

**Public Comment**

There was no public comment.

*Commissioner Patterson moved to deny this petition in writing because the change would require a change to RCW 9.46.0331, which is a change that would have to be made by the Legislature.*

*Commissioner Levy seconded the motion.*

*The motion passed 4:0*

**Tab 8**

**Rule Petition to Repeal**

**Online Gambling**

**Ashlie Laydon, Rules Coordinator** presented the materials for this tab. Michael Jacques, of Oregon City, Oregon, is proposing to repeal rules in order to allow online gambling sites such as DraftKings to be allowed in the state. The petitioner feels this change is needed because the public should determine how they spend their money, not the state.

Per RCW 9.46.240, gambling information cannot be transmitted over the internet, except for activities related to sports wagering as authorized in RCW 9.46.0364 and RCW 9.46.0368. At this time, sports wagering is authorized to occur on tribal lands within the state. Staff recommends denial of this petition. The petitioner is requesting a change that can only be made by the Legislature.

**Public Comment**

There was no public comment.

*Commissioner Patterson moved to deny the petition in writing. The petitioner is requesting a change that can only be made by the Legislature.*

*Commissioner Levy seconded the motion.*

*The motion passed 4:0*

**Tab 9**

**Legislative Prep for 2022**

**Tommy Oakes, Interim Legislative Liaison** presented the materials for this tab. IL Oakes stated that the 2022 legislative session begins January 10<sup>th</sup> and ending on March 10<sup>th</sup>. Prefiling date of bills is December 6, 2021. I will add an addendum if there are bills that are filed on this date that will affect us. WSGC's focus during the 2022 session will be agency request



legislation authorizing community and nonprofit senior centers to operate unlicensed bingo. IL Oakes asked commissioners if the legislative process that has been used in the past at the agency was still something they preferred. They indicated that it was fine.

## **Tab 10**

### **Agency Director Hiring Update**

Lisa Benavidez, HR Director, presented the materials for this tab. HRD Benavidez provided a brief update on the Director hire. Chair Sizemore will remain recused for the remainder of this process. Second interviews will likely be scheduled in January for the top two candidates. Both candidates have indicated that they are still interested in the position. Commissioners have requested in person interviews, if possible.

### **General Public Comment**

Roxane Waldron, Manager of the Washington State Problem Gambling Program said, *I just want to take a moment to thank you all for moving the self-exclusion rules forward. I know you had a robust conversation about it and about the issues, and I just really appreciated that. And I believe that these rules, as pushed forward will be able to, help folks that are struggling with problem gambling in our state. So looking forward to the rollout. And I thank you very much.*

**Chair Sizemore** wished everyone a great rest of the year and looking forward to seeing everyone in 2022.

There were 64 people that joined the meeting.

**Chair Sizemore** adjourned the meeting at 1:45 PM.



COMMISSION APPROVAL LIST  
(New Licenses & Class III Gaming Employees)  
January 2022

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Based upon the licensing investigations, staff recommends approving all new Licenses and Class III employees listed on pages 1 to 21.

ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

**NEW APPLICATIONS**

**BINGO**

LOOM 01543  
00-00288 01-00792

24506 SE 448TH ST  
ENUMCLAW WA 98022

**RAFFLE**

ACADEMY FOR PRECISION LEARNING  
00-23855 02-20697

99 UNION STREET  
SEATTLE WA 98101

BELLINGHAM CHRISTIAN SCHOOL  
00-24847 02-21222

1600 E SUNSET DRIVE  
BELLINGHAM WA 98226

GLACIER PEAK HIGH SCHOOL WRESTLING BOOSTER CLUB  
00-24837 02-21219

7401 144TH PLACE SE  
SNOHOMISH WA 98296

PET SAVERS  
00-24858 02-21227

7525 E TRENT AVE  
SPOKANE VALLEY WA 99212

ROTARY CLUB OF WENATCHEE SUNRISE  
00-23129 02-09361

MEMORIAL PARK  
WENATCHEE WA 98801

SOUTHRIDGE HS BOOSTER CLUB  
00-19932 02-08500

3520 SOUTHRIDGE BLVD  
KENNEWICK WA 99338

SUNRISE ELEMENTARY PTA NORTHSHORE COUNCIL 6.10.42  
00-22676 02-09174

14075 172ND AVE NE  
REDMOND WA 98052

**PUNCHBOARD/PULL-TAB COMMERCIAL STIMULANT**

BADGER CANYON DUGOUT  
00-24844 05-21737

12125 W CLEARWATER AVE STE B  
KENNEWICK WA 99352

BIJOU  
00-24832 05-21733

2910 E 29TH AVE  
SPOKANE WA 99223

MOEZY INN TAVERN  
00-18209 05-09908

2723 N MONROE ST  
SPOKANE WA 99205

**DISTRIBUTOR**

ASHFORD GAMING LLC  
21-00281 21-00281

1171 S ROBERTSON BLVD STE 311  
LOS ANGELES CA 90035

ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

**NEW APPLICATIONS**

**NON HOUSE-BANKED CARD GAME**

LANTZ'S NORTHWEST PASSAGE  
00-16422 65-07302

617 W CURTIS  
ABERDEEN WA 98520

MOEZY INN TAVERN  
00-18209 65-07241

2723 N MONROE ST  
SPOKANE WA 99205

**MAJOR SPORTS WAGERING VENDOR**

CAESARS SPORTSBOOK  
10-00074 81-00003

6325 S RAINBOW BLVD  
LAS VEGAS NV 89118

PERSON'S NAME  
LICENSE NUMBER

EMPLOYER'S NAME  
PREMISES LOCATION

**NEW APPLICATIONS**

**MANUFACTURER REPRESENTATIVE**

ASHWORTH, TERRENCE R 23-03325	ARISTOCRAT TECHNOLOGIES INC LAS VEGAS NV 89135
BHOMRAJ KHATRI, SUNIL K 23-03317	SCIENTIFIC GAMES LAS VEGAS NV 89119
BOLGER, FRANCIS K 23-02482	IGT LAS VEGAS NV 89113
COUCH, YANXIA W 23-03305	ARISTOCRAT TECHNOLOGIES INC LAS VEGAS NV 89135
CUTHILL, WAYNE P JR 23-03328	ARISTOCRAT TECHNOLOGIES INC LAS VEGAS NV 89135
DE TOMMASO, RODNEY W 23-01091	TCS JOHN HUXLEY AMERICA INC LAS VEGAS NV 89120
DHANAPAL, BHUVANESHWARI 23-03319	SCIENTIFIC GAMES LAS VEGAS NV 89119
DUENAS, SAMUEL E 23-03308	SCIENTIFIC GAMES LAS VEGAS NV 89119
GANJIKUNTA, SANDHYA 23-03315	ARISTOCRAT TECHNOLOGIES INC LAS VEGAS NV 89135
GASCON, JANICE G 23-03309	SCIENTIFIC GAMES LAS VEGAS NV 89119
HARRIS, PATRICK E JR 23-03327	PASSPORT TECHNOLOGY USA INC GLENDALE CA 91203
JESUDAS, JOYS A 23-03318	SCIENTIFIC GAMES LAS VEGAS NV 89119
KANTHA RAMANATHAN, VIGNESH 23-03322	SCIENTIFIC GAMES LAS VEGAS NV 89119
KROTHAPALLI, VISWANATH SARMA 23-03287	EVERI PAYMENTS INC LAS VEGAS NV 89113-2175
KUMAR, KALAIVANI 23-03320	SCIENTIFIC GAMES LAS VEGAS NV 89119
LAWRANCE, EDWARD REX 23-03298	SCIENTIFIC GAMES LAS VEGAS NV 89119

PERSON'S NAME  
LICENSE NUMBER

EMPLOYER'S NAME  
PREMISES LOCATION

**NEW APPLICATIONS**

**MANUFACTURER REPRESENTATIVE**

MAHARANA, SRIKANTA  
23-01928

SCIENTIFIC GAMES  
LAS VEGAS NV 89119

MALLOY, MICHAEL P  
23-03314

IGT  
LAS VEGAS NV 89113

MANCHESTER, ROBERT J  
23-03312

IGT  
LAS VEGAS NV 89113

MEDINA, ISRAEL  
23-03313

IGT  
LAS VEGAS NV 89113

MENDIOLA, PATRICK J  
23-03125

IGT  
LAS VEGAS NV 89113

NAVANEETHA KRISHNAN, MANIKANDA P  
23-03323

SCIENTIFIC GAMES  
LAS VEGAS NV 89119

RAMACHANDRAN, RAMYA  
23-03316

SCIENTIFIC GAMES  
LAS VEGAS NV 89119

RAMOS, JARED A  
23-03311

IGT  
LAS VEGAS NV 89113

SCHMITT, MICHAEL A  
23-03304

AINSWORTH GAME TECHNOLOGY INC  
LAS VEGAS NV 89118

SELVARAJ, SUBRAMANI  
23-03310

SCIENTIFIC GAMES  
LAS VEGAS NV 89119

SEM, EDWARD J  
23-03326

ECLIPSE GAMING SYSTEMS  
DULUTH GA 30096

SIVAPRAKASAM, AISWARYA  
23-03321

SCIENTIFIC GAMES  
LAS VEGAS NV 89119

SUNDARAMANI, ANBU RAJA  
23-02979

SCIENTIFIC GAMES  
LAS VEGAS NV 89119

TRUJILLO, RYAN E  
23-03324

AGS LLC  
LAS VEGAS NV 89118

TYREE, ANDRE M  
23-03307

ARISTOCRAT TECHNOLOGIES INC  
LAS VEGAS NV 89135

VARGAS, CHRISTOPHER J  
23-03302

TCS JOHN HUXLEY AMERICA INC  
LAS VEGAS NV 89120

PERSON'S NAME  
LICENSE NUMBER

EMPLOYER'S NAME  
PREMISES LOCATION

**NEW APPLICATIONS**

**MANUFACTURER REPRESENTATIVE**

WHITE, ADAM E  
23-03300

ARIES TECHNOLOGY LLC  
GROVE OK 74344-6251

**MAJOR SPORTS WAGERING REPRESENTATIVE**

BEHRE, THOMAS R  
33-00105

CAESARS SPORTSBOOK  
LAS VEGAS NV 89118

DALE, MICHAEL D  
33-00093

CAESARS SPORTSBOOK  
LAS VEGAS NV 89118

DRAPER, ROBERT W  
33-00157

CAESARS SPORTSBOOK  
LAS VEGAS NV 89118

EBMEIER, DAVID P  
33-00103

CAESARS SPORTSBOOK  
LAS VEGAS NV 89118

GIVOL, SHAHAR  
33-00159

CAESARS SPORTSBOOK  
LAS VEGAS NV 89118

INCIONG, LORD NIKKO B  
33-00101

CAESARS SPORTSBOOK  
LAS VEGAS NV 89118

REYES, JUAN  
33-00102

CAESARS SPORTSBOOK  
LAS VEGAS NV 89118

RUSH, JASON P  
33-00107

CAESARS SPORTSBOOK  
LAS VEGAS NV 89118

SANDERS, CAMILLE L  
33-00106

CAESARS SPORTSBOOK  
LAS VEGAS NV 89118

SNOCK, DAVID S  
33-00094

CAESARS SPORTSBOOK  
LAS VEGAS NV 89118

VILLA, RODERICK S  
33-00108

CAESARS SPORTSBOOK  
LAS VEGAS NV 89118

WASHINGTON, TRAYVONTAE D  
33-00104

CAESARS SPORTSBOOK  
LAS VEGAS NV 89118

**NON-PROFIT GAMBLING MANAGER**

BURROWS, DESIREE A  
61-04649

FOE 02338  
PORT ORCHARD WA 98366

PERSON'S NAME  
 LICENSE NUMBER

EMPLOYER'S NAME  
 PREMISES LOCATION

### NEW APPLICATIONS

#### NON-PROFIT GAMBLING MANAGER

COCKERHAM, DEBRA G  
 61-04768

FOE 02338  
 PORT ORCHARD WA 98366

FOX, MICHELE L  
 61-04766

STILLY VALLEY CENTER  
 ARLINGTON WA 98223

WILLIAMS, JOSEPH S  
 61-04767

FOE 02647  
 PROSSER WA 99350

WILSON, JASON W  
 61-04765

AMERICAN LEGION 00028  
 EPHRATA WA 98823

#### SERVICE SUPPLIER REPRESENTATIVE

AURILIO, CHRISTOPHER  
 63-01010

TECHNOLOGENT  
 IRVINE CA 92618

BHATTI, IRAM G  
 63-01012

MAVERICK WASHINGTON  
 KIRKLAND WA 98034

BULAJIC, NIKOLA  
 63-01022

BULLETPROOF SOLUTIONS INC  
 FAIRFAX VA 22031

CASE, ALYSHA A  
 63-01015

MAVERICK WASHINGTON  
 KIRKLAND WA 98034

FRITTS, SARAHLYN S  
 63-01016

MAVERICK WASHINGTON  
 KIRKLAND WA 98034

GRIER, CHANDRA L  
 63-01014

MAVERICK WASHINGTON  
 KIRKLAND WA 98034

HALL, KRISTEN D  
 63-01018

MAVERICK WASHINGTON  
 KIRKLAND WA 98034

MCKERNAN, ASHLEY R  
 63-01017

MAVERICK WASHINGTON  
 KIRKLAND WA 98034

MOHIUDDIN, MOHAMMED W  
 63-01020

BULLETPROOF SOLUTIONS INC  
 FAIRFAX VA 22031

NUTTER, DAWN E  
 63-01013

MAVERICK WASHINGTON  
 KIRKLAND WA 98034

ROUX, NICOLAS P  
 63-01021

BULLETPROOF SOLUTIONS II  
 FREDERICTON NA E3C 2N5



PERSON'S NAME  
 LICENSE NUMBER

EMPLOYER'S NAME  
 PREMISES LOCATION

### NEW APPLICATIONS

#### SERVICE SUPPLIER REPRESENTATIVE

TUYEN, JOHN  
 63-01019

BULLETPROOF SOLUTIONS II  
 FREDERICTON NA E3C 2N5

#### CARD ROOM EMPLOYEE

ABRAMSON, JONAH C 68-15866	B	BLACK PEARL RESTAURANT & CARD I SPOKANE VALLEY WA 99206-4719
ALPINE, ALBERT L 68-36149	B	FORTUNE CASINO - RENTON RENTON WA 98055
BAKER, RONALD W 68-31685	B	THE PALACE LA CENTER WA 98629
BALL, JACOB J 68-29304	B	JOKER'S CASINO SPORTS BAR & FIEST RICHLAND WA 99352-4122
BAUER, CHRISTOPHER A 68-36512	B	GREAT AMERICAN CASINO/TUKWILA TUKWILA WA 98168
BROCK-STURTEVANT, ALEXIS C 68-36508	B	NOB HILL CASINO YAKIMA WA 98902
BROWN, AOFIA 68-36509	B	RIVERSIDE CASINO TUKWILA WA 98168
BROWNSON, CONNOR J 68-36518	B	CRAZY MOOSE CASINO/PASCO PASCO WA 99301
CAMP, ELIZABETH M 68-36177	B	GREAT AMERICAN CASINO/LAKEWOOD LAKEWOOD WA 98499
CAUDILL, AARON M 68-36523	B	CASINO CARIBBEAN YAKIMA WA 98901
CHAO, PISETH 68-33923	B	CHIPS CASINO/LAKEWOOD LAKEWOOD WA 98499
CLEPPE, KATHRYN L 68-12629	B	CRAZY MOOSE CASINO/PASCO PASCO WA 99301
COLE, TAGGART R 68-36521	B	PAPAS CASINO RESTAURANT & LOUNGE MOSES LAKE WA 98837
CRIDER HIMBERT, DILLON T 68-36524	B	CASINO CARIBBEAN YAKIMA WA 98901

PERSON'S NAME  
LICENSE NUMBER

EMPLOYER'S NAME  
PREMISES LOCATION

**NEW APPLICATIONS**

**CARD ROOM EMPLOYEE**

DALISKY, RALPH J 68-36515	B	ROMAN CASINO SEATTLE WA 98178
DONEY, PAUL M 68-36505	B	CARIBBEAN CARDROOM KIRKLAND WA 98034
FITZPATRICK, SEAN M 68-31547	B	SLO PITCH PUB & EATERY BELLINGHAM WA 98225
FREEMAN, WESTON W 68-36516	B	LAST FRONTIER LA CENTER WA 98629-0000
GARRY, TREVONNE D 68-32388	B	BLACK PEARL RESTAURANT & CARD I SPOKANE VALLEY WA 99206-4719
GASCA, PAYTEN P 68-36533	B	ROMAN CASINO SEATTLE WA 98178
GOLDEN, KALEB A 68-36529	B	ALL STAR CASINO SILVERDALE WA 98383
GREEN, JAMAR J 68-36519	B	JOKER'S CASINO SPORTS BAR & FIEST RICHLAND WA 99352-4122
HAK, SAMATH 68-28793	B	LAST FRONTIER LA CENTER WA 98629-0000
HUMPHREY, RYAN C 68-36535	B	BUZZ INN STEAKHOUSE/EAST WENAT EAST WENATCHEE WA 98802
HUNTLEY, TIMOTHY R 68-31948	B	BLACK PEARL RESTAURANT & CARD I SPOKANE VALLEY WA 99206-4719
LEE, CELESTE O 68-25170	B	BUZZ INN STEAKHOUSE/EAST WENAT EAST WENATCHEE WA 98802
LORTIE, DOUGLAS L II 68-33806	B	CLUB 48 YAKIMA WA 98908
MANSELL, NICHOLAS R 68-36517	B	HAWKS PRAIRIE CASINO LACEY WA 98516
MICKELSON, JUSTIN V 68-36514	B	ZEPPOZ PULLMAN WA 99163
MIRANDA MENDEZ, RICARDO K 68-36525	B	JOKER'S CASINO SPORTS BAR & FIEST RICHLAND WA 99352-4122

PERSON'S NAME  
 LICENSE NUMBER

EMPLOYER'S NAME  
 PREMISES LOCATION

**NEW APPLICATIONS**

**CARD ROOM EMPLOYEE**

MONROE, CORINNE D 68-36534	B	ROMAN CASINO SEATTLE WA 98178
O'DONNAN, KYLEN T 68-36507	B	LILAC LANES & CASINO SPOKANE WA 99208-7393
RANDOLPH, JUSTIN E 68-36531	B	LILAC LANES & CASINO SPOKANE WA 99208-7393
RHODES, UNIQUE N 68-36513	B	SILVER DOLLAR CASINO/SEATAC SEATAC WA 98188
RILEY, STEPHAN J 68-36532	B	ROMAN CASINO SEATTLE WA 98178
ROOK, ALLISON L 68-36504	B	FORTUNE POKER RENTON WA 98057
SABO, DENISE B 68-36526	B	LANCER LANES/REST AND CASINO CLARKSTON WA 99403-2219
SALAY, DEMONTEREZA S 68-36510	B	RIVERSIDE CASINO TUKWILA WA 98168
SANCHEZ, OSCAR A 68-36520	B	THE PALACE LA CENTER WA 98629
SYBOUTS, NATHANIEL F 68-36530	B	ROMAN CASINO SEATTLE WA 98178
TALAMONI, CHEA S 68-05457	B	RIVERSIDE CASINO TUKWILA WA 98168
ULLOM, WILLIAM B 68-36481	B	JOKER'S CASINO SPORTS BAR & FIEST RICHLAND WA 99352-4122
VERDIYAN, YELENA 68-23781	B	GREAT AMERICAN CASINO/TUKWILA TUKWILA WA 98168
VONG, ASANG 68-35602	B	FORTUNE CASINO - RENTON RENTON WA 98055
WUERTH, LAWRENCE A III 68-33894	B	PALACE CASINO LAKEWOOD LAKEWOOD WA 98499-8434
YOUNG, ANDREW 68-22492	B	FORTUNE POKER RENTON WA 98057

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**CHEHALIS CONFEDERATED TRIBES**

BALLER, CHASE M  
69-51471

ELDER, BRANDIE M  
69-06576

LOSEE, RICKY A JR  
69-51672

MYER, AARON T  
69-20750

OIEN, NYSA M  
69-51470

PARKISON, MELODY L  
69-51575

PONYAH, CAMILLE M  
69-51633

POPE, VINCENT H  
69-51520

SCHOELKOPF, CHLOE R  
69-51634

SPILLER, JOSHUA A  
69-51637

VASQUEZ, BRENDEN L  
69-51635

**COLVILLE CONFEDERATED TRIBES**

FRANCIS, AMBER L  
69-45080

GEORGE, GARY A  
69-51535

GOMEZ, DANIEL C  
69-49228

HART, ANGELA E  
69-51536

HUBER, REGGIE G  
69-48505

KALISTA, DYLAN Z  
69-51524

MERICLE, PRESTON G  
69-51698

**COWLITZ INDIAN TRIBE**

BEHURST, CYLE J  
69-51487

BUSH, DALLAS R  
69-44359

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**COWLITZ INDIAN TRIBE**

BYERS, JACQUELINE R  
69-51553

CARLSON, MARY G  
69-51460

CLEVELAND, BRENNAN M  
69-51512

CROUSE, BONNIE E  
69-51502

EVANS, KENNETH E  
69-51508

FADDIS, RYAN T  
69-43504

FERGUSON, ALEXANDER J  
69-51626

FLORES, SAMUEL L  
69-51592

GLAAB, MARION C  
69-44915

GONZALEZ, LEE E  
69-51628

HANNULA, BELANA L  
69-49204

HOUGHTON, ANDREW P  
69-47600

JONES, JOHN P  
69-51493

KELLY-QUINONES, DONNA G  
69-51503

KHIM, SOKPISEY  
69-51529

KOHL, MARK S  
69-51504

LOHRMAN, KIMBERLY F  
69-51543

NODLAND, BRANDON M  
69-51510

PENSE, JEREK J  
69-51569

PREW, THOMAS R  
69-51593

STANTON, KENDRA R  
69-51546

THOMPSON, JONAH N  
69-51570

TILLET, ADDYSON M  
69-51627

VOONG, PHANG K  
69-51552

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**COWLITZ INDIAN TRIBE**

WEIMER, SAMANTHA-JO S  
69-51568

WELSCH, AUSTIN D  
69-49116

WINTER, TINA M  
69-51526

ZHANG, HONG W  
69-51464

**KALISPEL TRIBE**

ALLEN, RICHARD L JR  
69-34659

ASTERINO, MICHELLE L  
69-51653

BORDELON, BAILEY M  
69-51482

CARNAHAN, JUSTIN R  
69-51557

CASELL, JEFFREY M  
69-31196

CHIAMULON, GRADY A  
69-51527

CHRISP, DYNAH M  
69-51594

FINLEY, LAWRENCE P  
69-51652

FRANKLIN, PARKER K  
69-51615

GOODWIN, MACKENZIE A  
69-51505

GORTON, MAGDALENE N  
69-51483

GRASSEL, TRACY D  
69-51558

HUMPHREY, BENJAMIN A  
69-51507

LAUNER, JOSEPH T  
69-51463

LOHSTROH, NOAH L  
69-51467

LYTLE, CHRISTOPHER G  
69-51528

MCCARTHY, BAILEY J  
69-51601

MCCARTHY, KELSEY M  
69-51651

MCCRAY-LEE, RACHEL D  
69-36070

METZGER, MONIQUE A  
69-51462

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**KALISPEL TRIBE**

RODGERS, JOHN E  
69-51599

SUMIHIRO, MELISSA A  
69-51465

TENNANT, JOCELYN A  
69-05280

THOMAS, ADAM M  
69-29470

THOMPSON, SHERA L  
69-51579

TRIPLETT, TIMOTHY D  
69-51654

TURNER, BRANDEN R  
69-51595

WEBLEY, MICHAEL S  
69-43572

WHITEHEAD, GABRIELLE E  
69-51600

WOLZ, STEVEN R  
69-27728

ZIMMERMAN, ALISHA A  
69-51556

**LUMMI NATION**

ASPINALL, THEODORE J  
69-51531

CHUA, CHOEN B  
69-51408

CIFUENTES GARCIA, NELSON L  
69-51401

GALLEGOS, MICHAEL L  
69-51402

REDSTEER, RICHARD C  
69-48693

STREAM, MARK W  
69-51409

TORRES, PRESTON S  
69-51679

WLINICH, JAMES M  
69-51416

**MUCKLESHOOT INDIAN TRIBE**

ALMANZA, ERIC I  
69-39945

BURNETT, BRANDON J  
69-51606

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

MUCKLESHOOT INDIAN TRIBE

CALUBANA, MARIVIC E  
69-43785

CHIANG, CHIN-HSIANG  
69-14688

CHIN, ANTHONY M  
69-51607

COLEY, ASHLEY F  
69-51481

CONNOLLY, COLE T  
69-51663

GEYER, MITCHELL L  
69-51661

HAK, CHENDA  
69-45605

JAMES, JOHN J  
69-51498

KEMSIE, ZELALEM E  
69-51559

KREIDER, DONALD C  
69-51542

LAPOINTE, ROBERT M  
69-16553

LIM, SYNA  
69-36855

LOFSTROM, KEITH W  
69-51499

MECUM, SHARLENE A  
69-40981

NOAESE, JEREMIAH T JR  
69-51541

NUEVO MALDONADO, RAUL  
69-39809

OSGOOD, TIMIAN C  
69-51540

TARBELL, MICHAEL P  
69-51662

WASISCO, BRIAN J  
69-33770

WOELK, LINDSEY A  
69-51480

WOODMAN, SHAD N  
69-51539

NISQUALLY INDIAN TRIBE

CAMPBELL, LAMAR S  
69-51587

EDWARDS, CHAZ M  
69-51588



PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**NISQUALLY INDIAN TRIBE**

HUNTER, JAMES J  
69-51622

LINDBERG, JESSE M  
69-46091

LLENA, KASANDRA  
69-51583

LUU, HUAN V  
69-51586

NAGY, DEVON S  
69-51585

NELSON, ERIK B  
69-51623

PERRENOUD, TAMAR J  
69-40509

WELLS, ELLEN S  
69-51325

WELLS, NOELANI L  
69-51584

**NOOKSACK INDIAN TRIBE**

BALDWIN, JAMES P  
69-51629

CHESNIN, ZACHARY O  
69-32319

FISHER, PAMELA J  
69-26207

FULLER, JORDAN S  
69-51604

JANSEN, DARRELL G  
69-51509

JIMMIE, JO ANN D  
69-18617

LIERA, SABRINA  
69-51551

SCHILDKRAUT, SAMUEL M  
69-51550

TRAHAN, LENIECE M  
69-51658

WILBER, JACOB C  
69-51650

WRAY, ANGELA C  
69-51417

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**PORT GAMBLE S'KLALLAM TRIBE**

ALLEN, ELSIE V  
69-51667

DECOTEAU, ISSAOUAH S  
69-45049

GRANT, TIMOTHY D  
69-51666

IVES, SHANE D  
69-51420

MAKEY, ASHLYN J  
69-51421

MCCONNELL, KIAH D  
69-51620

REPINE, NATHAN E  
69-29794

TAYLOR, MARGARET A  
69-51621

**PUYALLUP TRIBE OF INDIANS**

ADAMS, ANALYSA M  
69-51518

ALTAHA, MONTE  
69-51478

ARAGON, CHRISTOPHER J  
69-51610

ARELLANO, KRISTOFER J  
69-51566

BAKER, DREW A  
69-51577

CHO, KWANG S  
69-51677

CONSTANTINO, ANASTACIA C  
69-51567

DULLUM, APRIL A  
69-51576

KIM, LYUBOV P  
69-51678

LEIATAUA, ALBERT A  
69-51500

SABANGAN, GERALD V  
69-51676

SMITH, MICHELLE A  
69-51501

WALLACE, DANE J  
69-51519

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**QUINAULT NATION**

ALMENDAREZ, MICHAEL R  
69-51515

BECK, JEREMY E  
69-51618

BLACK, LOLITA S  
69-20954

CASE, KAYTEE R  
69-51668

GARCIA, RONALYN C  
69-51669

GRIFFITH, ROBERT S  
69-51671

MOLISANI, ALEXANDER G  
69-51616

MORRIS, CHRIS A  
69-35112

PARSONS, TAYLOR E  
69-51617

PERKINS, DORANNA L  
69-51484

RAMIREZ, LUIS M  
69-51670

RAVENHILL, CYNTHIA A  
69-51485

**SKOKOMISH TRIBE**

LABRESH, TIERRA J  
69-51597

MARTIN, RODNEY K  
69-51532

MCCULLOUGH, KAYLIN R  
69-51598

PETERSON-WILLIAMS, HATTIE C  
69-51596

**SNOQUALMIE TRIBE**

ALLEN, SARAH A  
69-51506

BERRY, CINDY M  
69-51644

DALRYMPLE, CHARLES W  
69-51688

FIX, PAUL J  
69-51647

LAI, JUNLIN  
69-51646

LANE, ANTHONY E  
69-51581

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**SNOQUALMIE TRIBE**

LIN, ZHEN  
69-51578

LIU, SHIMEI  
69-51582

RANNEY, AMBER L  
69-51580

TULEE, ANJELICA J  
69-51687

VO, HUONG T  
69-51689

ZIEMER, JARRETT G  
69-51645

**SPOKANE TRIBE**

ABRAHAMSON, EUGENE D  
69-51590

ABRAHAMSON, GAIGE P  
69-44310

BURTON, MARTIN C  
69-51659

BYRD, DAMIEON L  
69-51589

COMPIAN, RUTH M  
69-51537

COOK, ZACHARY A  
69-51591

GLENN, KALI M  
69-51573

GUILLEN, JAMIE J  
69-51476

HAMBLIN, CHARLES D  
69-51631

KEPLINGER, FRANKIE L  
69-51574

KROLL, HENRY  
69-51572

MALDONADO, AUDREANNA I  
69-51458

MARSHALL, KISHNA J  
69-51605

MINNIE, SARAH A  
69-51516

MITTIE, MADELINE M  
69-51517

O'NEAL, DENNIS J  
69-51394

RAMOS, RAVEN R  
69-51660

ROSS, BRYAN K  
69-31842

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

SPOKANE TRIBE

SIMMET, ROBERT C  
69-51632

SMITH, ALEXANDER M  
69-51486

WARDSWORTH, EMILY A  
69-51538

SQUAXIN ISLAND TRIBE

ALANIZ, ABEL J  
69-51448

BERT, KATHERINE A  
69-51457

BOSWELL, NINGSIH  
69-51571

BRIZZARD, JAY O  
69-51513

GALLAGHER, TIMOTHY A  
69-51630

HENRY, LEO E  
69-03040

HORNBROOK, LISA M  
69-21541

NEAL, NICOLAS W  
69-51619

RYKER, DANIEL C  
69-11067

YOUNG, KENDAL L  
69-51514

SUQUAMISH TRIBE

BOWENS, PREVIN N JR  
69-51624

CHU, NICOLAS K  
69-51521

CONNER, CODY C  
69-51522

CORTEZ, TIMOTHY D  
69-51657

HARRIS, HAILEY L  
69-51523

SWEETSER, LIBBY L  
69-31331

SWINOMISH INDIAN TRIBAL COMMUNITY

BRENNAN, IRMA Y  
69-51563

CARL, JAMI C  
69-42765

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

**SWINOMISH INDIAN TRIBAL COMMUNITY**

CARROTHERS, CARL J  
69-51609

HANCOCK, BRITIAN D  
69-51673

SANCHEZ, ZACHARY R  
69-43748

SWOPE, JASON D  
69-51608

**THE TULALIP TRIBES**

ABSHER, ALEXIS-JEAN C  
69-43245

BACON, JENNIFER J  
69-51549

BUSTAMANTE, MATEO T  
69-51492

CROY, BLAKE A  
69-36453

DINSMORE, STERLING A  
69-51494

FERNANDEZ, RICO C  
69-51306

HATCHETT, MELANIE M  
69-51453

JAMES, AMBROSE A  
69-06631

JONES, SHILO B  
69-51511

KLEIN, ANTHONY M  
69-51545

KROLIKOWSKI, JAKEUP A  
69-51548

MCCOY, CHAD M  
69-51456

MENDY, JOSEPH  
69-51490

TANALA, RAMBO  
69-51547

VAUGHN, TONIHYA K  
69-51555

WHITE, WYATT T  
69-51489

WOOD, HUNTER L  
69-51544

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

**NEW APPLICATIONS**

**CLASS III GAMING EMPLOYEE**

UPPER SKAGIT INDIAN TRIBE

GAYDON, CHELESY A  
69-51495

MEACHAM, TREVOR K  
69-51603

MORENO, AYLAL  
69-48129

TIETGE, NATHANIEL T  
69-51602

YAKAMA NATION

JIM, JOLENE I  
69-13967

PHILLIPS, ANDREYA S  
69-51496

SANTANA, JULIO C  
69-51497

TOVAR, MARICELA M  
69-51560

VENANCIO CRUZ, DANIEL F  
69-51562

WAHPAT, MARGARET N  
69-51561

ZUNIGA, DESIDERIO JR  
69-51430



## HOUSE-BANKED PUBLIC CARD ROOM REPORT

<b>Licensed and Operating</b>		<b>39</b>			
	City	Commission Approval Date	License Expiration Date	Org #	License #
ALL STAR CASINO	SILVERDALE	Jan 14, 1999	Jun 30, 2022	00-18357	67-00058
BLACK PEARL RESTAURANT & CARD ROOM	SPOKANE VALLEY	Jan 10, 2013	Sep 30, 2022	00-22440	67-00321
BUZZ INN STEAKHOUSE/EAST WENATCHEE	EAST WENATCHEE	Oct 10, 2002	Dec 31, 2022	00-11170	67-00183
CARIBBEAN CARDROOM	KIRKLAND	Nov 14, 2019	Sep 30, 2022	00-24515	67-00343
CASINO CARIBBEAN	KIRKLAND	Nov 14, 2019	Sep 30, 2022	00-24512	67-00341
CASINO CARIBBEAN	YAKIMA	Nov 14, 2019	Sep 30, 2022	00-24513	67-00342
CHIPS CASINO/LAKEWOOD	LAKEWOOD	Apr 8, 1999	Dec 31, 2022	00-17414	67-00020
CLEARWATER SALOON & CASINO	EAST WENATCHEE	Feb 14, 2019	Dec 31, 2022	00-24296	67-00339
COYOTE BOB'S CASINO	KENNEWICK	Jul 10, 2009	Mar 31, 2022	00-21848	67-00282
CRAZY MOOSE CASINO II/MOUNTLAKE TERRACE	MOUNTLAKE TERRACE	Jul 10, 2009	Mar 31, 2022	00-21849	67-00283
CRAZY MOOSE CASINO/PASCO	PASCO	Jul 10, 2009	Mar 31, 2022	00-21847	67-00281
FORTUNE CASINO - RENTON	RENTON	Jan 8, 2015	Sep 30, 2022	00-23339	67-00327
FORTUNE CASINO - TUKWILA	TUKWILA	Oct 8, 2015	Jun 30, 2022	00-23465	67-00329
GOLDIES SHORELINE CASINO	SHORELINE	May 13, 1999	Dec 31, 2022	00-17610	67-00016
GREAT AMERICAN CASINO/EVERETT	EVERETT	Nov 12, 1998	Dec 31, 2022	00-19513	67-00194
GREAT AMERICAN CASINO/LAKEWOOD	LAKEWOOD	Aug 14, 2003	Jun 30, 2022	00-19258	67-00184
GREAT AMERICAN CASINO/TUKWILA	TUKWILA	Jan 15, 1998	Sep 30, 2022	00-12554	67-00012
HAWKS PRAIRIE CASINO	LACEY	Jul 12, 2001	Jun 30, 2022	00-17579	67-00091
IRON HORSE CASINO	AUBURN	Jan 9, 2003	Dec 31, 2022	00-19477	67-00192
JOKER'S CASINO SPORTS BAR & FIESTA CD RM	RICHLAND	Nov 12, 1998	Dec 31, 2022	00-15224	67-00006
LANCER LANES/REST AND CASINO	CLARKSTON	Nov 13, 2008	Sep 30, 2022	00-21681	67-00276
LAST FRONTIER	LA CENTER	Feb 11, 1999	Sep 30, 2022	00-11339	67-00055



<b>Licensed and Operating</b>			<b>39</b>		
	<b>City</b>	<b>Commission Approval Date</b>	<b>License Expiration Date</b>	<b>Org #</b>	<b>License #</b>
LILAC LANES & CASINO	SPOKANE	Jul 12, 2007	Jun 30, 2022	00-21305	67-00267
MACAU CASINO	TUKWILA	Nov 14, 2019	Sep 30, 2022	00-24514	67-00344
MACAU CASINO	LAKEWOOD	Nov 14, 2019	Sep 30, 2022	00-24516	67-00345
NOB HILL CASINO	YAKIMA	Sep 12, 2001	Dec 31, 2022	00-13069	67-00173
PALACE CASINO LAKEWOOD	LAKEWOOD	Jan 14, 1999	Dec 31, 2022	00-16542	67-00028
PAPAS CASINO RESTAURANT & LOUNGE	MOSES LAKE	Aug 13, 1998	Jun 30, 2022	00-02788	67-00004
RC'S AT VALLEY LANES	SUNNYSIDE	Nov 16, 2017	Mar 31, 2022	00-16220	67-00336
RIVERSIDE CASINO	TUKWILA	Aug 14, 2003	Jun 30, 2022	00-19369	67-00187
ROMAN CASINO	SEATTLE	Feb 10, 2000	Mar 31, 2022	00-17613	67-00057
ROXY'S BAR & GRILL	SEATTLE	Nov 18, 2004	Jun 30, 2022	00-20113	67-00231
SILVER DOLLAR CASINO/MILL CREEK	BOTHELL	Sep 9, 2010	Jun 30, 2022	00-22131	67-00302
SILVER DOLLAR CASINO/RENTON	RENTON	Sep 9, 2010	Jun 30, 2022	00-22134	67-00305
SILVER DOLLAR CASINO/SEATAC	SEATAC	Sep 9, 2010	Jun 30, 2022	00-22128	67-00299
SLO PITCH PUB & EATERY	BELLINGHAM	Aug 12, 1999	Jun 30, 2022	00-16759	67-00038
THE PALACE	LA CENTER	Apr 9, 1998	Jun 30, 2022	00-16903	67-00010
WILD GOOSE CASINO	ELLENSBURG	Apr 8, 2004	Dec 31, 2022	00-20009	67-00212
ZEPPOZ	PULLMAN	Nov 13, 2008	Mar 31, 2022	00-18777	67-00209

<b>Licensed but Not Currently Operating</b>			<b>4</b>		
	<b>City</b>	<b>Commission Approval Date</b>	<b>License Expiration Date</b>	<b>Org #</b>	<b>License #</b>
CLUB HOLLYWOOD CASINO	SHORELINE	Sep 9, 2010	Jun 30, 2022	00-22132	67-00303
EMERALD DOWNS	AUBURN	May 11, 2017	Mar 31, 2022	00-23814	67-00335
ROYAL CASINO	EVERETT	Sep 9, 2010	Jun 30, 2022	00-22130	67-00301
WIZARDS CASINO	BURIEN	Feb 11, 2010	Dec 31, 2022	00-21998	67-00287

**Applications Pending****1**

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



**Washington State Gambling Commission  
Pre-Licensing Report  
Major Sports Wagering Vendor**

**Part I  
Licensing/Organization Information**

<b>Type of Approval</b> Major Sports Wagering Vendor License	<b>Trade Name/ Premises Address</b> Caesars Sportsbook 6325 South Rainbow Blvd Las Vegas, NV 89118
<b>Date of Application</b> September 10, 2021	

**APPLICANT INFORMATION**

<b>Name</b> American Wagering, Inc.	<b>License Application #</b> 10-00074	<b>Business Phone #</b> (725) 204-4565
<b>Address</b> 6325 South Rainbow Blvd Las Vegas, NV 89118		

**ACTIVE LICENSES ISSUED BY GAMBLING COMMISSION**

<b>Description/Class</b> Major Sports Wagering Vendor License	<b>Exp. Date</b> 09/30/2022	<b>License Number(s)</b> 81-00003
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**COMMISSION STAFF**

<b>Licensing Specialist</b> Jeanette Warner	<b>Special Agents</b> Julie Sullivan Edward Ward
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**Background/Structure**

**General Information:**

American Wagering, Inc., doing business as Caesars Sportsbook applied for a Major Sports Wagering Vendor license to provide the following services in Washington:

- 1) Platform for Sports Betting
- 2) Self Service Terminals (Kiosks)
- 3) Trading Advisory Services

**Organizational/Ownership Structure:**

**American Wagering, Inc. d/b/a Caesars Sportsbook:**

Title	Name	% Ownership
CEO & Director	Thomas Reeg	0%
COO, President & Director	Anthony Carano	0%
Co-President	Eric Hession	0%
Co-President	Christopher Holren	0%

CFO	Bret Yunker	0%
Executive Vice President, Chief Legal Officer & Secretary	Edmund Quatmann Jr.	0%
Shareholder	William Hill US Holdco, Inc.	100%
	<b>Total</b>	100%

**William Hill US Holdco, Inc.:**

Title	Name	% Ownership
CEO & Director	Thomas Reeg	0%
COO, President & Director	Anthony Carano	0%
CFO	Bret Yunker	0%
Executive Vice President, Chief Legal Officer & Secretary	Edmund Quatmann Jr.	0%
Shareholder	Caesars Entertainment, Inc.	100%
	<b>Total</b>	100%

**Caesars Entertainment, Inc. (publicly traded)**

Title	Name	% Ownership
CEO, Director	Thomas Reeg	<1%
COO & President	Anthony Carano	<1%
CFO	Bret Yunker	<1%
Executive Vice President, Chief Legal Officer & Secretary	Edmund Quatmann Jr.	<1%
Executive Chairman	Gary Carano	0
Vice Chairman	Don R. Kornstein	0
Director	Bonnie Biuni	0
Director	Janis Jones-Blackhurst	0
Director	David Tomick	0
Director	Courtney Mather	0
Director	Michael Pegram	0
Director	Frank Fahrenkopf Jr.	0
Institutional Investor	BlackRock, Inc	7.60%
Institutional Investor	FMR, LLC (Fidelity)	9.77%
Institutional Investor	Capital Group Companies, Inc.	7.45%
Institutional Investor	Vanguard Group, Inc.	9.84%
Shareholders	Various Public with less than 5%	65.34%
	<b>Total</b>	100%

**Other Jurisdictions Licensed:**

American Wagering, Inc., doing business as Caesars Sportsbook is currently licensed in several jurisdictions including, New Jersey, Colorado, Michigan, and Pennsylvania.

Special Agents from the Commission's Licensing and Regulation Units conducted a criminal history and financial investigation focusing on funding sources and beneficiaries for suitability in accordance with RCW 9.46 and WAC 230. The investigation included verifying the ownership structure, reviewing financial and business records, and conducting interviews. The investigation found:

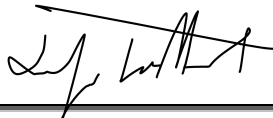
- No unreported people or businesses involved (i.e., substantial interest holders).
- No undisclosed ownership or undisclosed involvement in other activities/businesses.
- No disqualifying administrative history.
- All funding sources were disclosed; and
- All substantial interest holders qualify to hold a license.

**Source of Funds:**

The company's source of funds for the pre-licensing investigation came from cash on hand.

**Part III  
Staff Recommendations**

Based upon the criminal history and financial background investigations, staff recommends licensing American Wagering, Inc., doing business as Caesars Sportsbook, with a Major Sports Wagering Vendor license.

<b>Prepared By</b> Jennifer LaMont, Agent in Charge Licensing Unit	<b>Signature</b> 	<b>Date</b> December 17, 2021
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**Purpose for Conducting the Enhanced Raffle:**

To provide the necessary resources for the organization to enhance its programming and to grow its athlete base.

**Enhanced Raffle Details:**

Ticket costs: \$150 each, 3 for \$400, or 5 for \$550.

Add-on tickets are \$25 each, 3-pack for \$60, or 6-pack for \$100.

Drawing	Date	Location	Prizes Available
Early Bird 1	March 11, 2022	Western Washington – King County	Winner’s choice: Mercedes Sprinter Van Custom Conversion, Lucid Air Pure or \$100,000 cash
Early Bird 2	April 8, 2022	Western Washington – King County	Winner’s choice: Ford Bronco Sport, Toyota Tacoma or \$50,000 cash
Grand Prize	May 13, 2022	Western Washington – King County	Grand Prize \$8.5M Dream House, \$4,000,000 annuity, or \$2,800,000 cash option.
Multi-Ticket	May 13, 2022	Western Washington – King County	Winner’s choice: BMW 5 Series, Vacation to New Zealand or \$50,000 cash.
Add-on Drawing	May 13, 2022	Western Washington – King County	\$100,000

**Security and Purchase of Prizes:**

All prizes will be purchased with the raffle revenue and awarded after each applicable drawing.

**Protection of the integrity of the raffle:**

SOWA will conduct an audit of ticket stubs prior to each drawing. The audit will be performed by the CEO who will use an Excel generated random list of tickets to audit. The tickets will be made up of the entire population of tickets sold, both active and voided. The sample size will be no less than 90 tickets. An employee of SOWA will draw all winning raffle tickets.

All ticket proceeds of the raffle, whether the tickets are sold in the SOWA office by SOWA designated staff or through the call center, will be deposited into a SOWA raffle account which is separate from the Organization’s general operating funds.

**Use of Proceeds:**

The proceeds will be used to further drive the vision of SOWA.

**Protection in the Event of Low Ticket Sales:**

The law requires that in the event SOWA determines the ticket sales are insufficient to qualify for a complete enhanced raffle to move forward, the enhanced raffle winner must receive fifty percent of the net proceeds in excess of expenses as the grand prize. The enhanced raffle winner will receive a choice between an annuity value equal to fifty percent of the net proceeds in excess of expense paid by annuity over twenty years, or a one-time cash payment of seventy percent of the annuity value. In no case will the grand prize be less than \$50,000. Unless, the raffle ticket sales fall at or below the breakeven amount of 17,146 tickets sold, and net proceeds in excess of expenses produce a negative value, Special Olympics Washington will consider refunding all purchases and canceling the raffle due to insufficient sales of tickets or issuing a flat \$5,000 to the Grand Prize winner.

**Projected Budget:**

SOWA estimates the breakeven number of ticket sales to be 17,146. The net proceeds will depend upon the grand prize awarded. SOWA estimates net proceeds to be between \$0 and \$5,797,122 if a \$8,500,000 house is the grand prize.

**Dedicated Employee Responsible for Oversight of the Enhanced Raffle Operation:**

Mary Do, Chief Operating Officer of SOWA, will be overseeing the enhanced raffle operation.

**Licensed Service Supplier Managing the Enhanced Raffle:**

NZ Consulting, Inc., owned 100% by Neal Zeavy, is managing the enhanced raffle for SOWA.

**Licensed Call Center Contracted to Receive Enhanced Raffle Ticket Sales:**

Incept Corporation, owned 100% by Salvatore Falletta, will be the call center contracted to receive enhanced raffle tickets sales for SOWA.

Attachments (2)





**Special Olympics Washington  
Enhanced Raffle Plan 2022  
“Special Olympics Washington Dream House Raffle”**

**Purpose**

Special Olympics Washington serves more than 19,500 participants across the state which is just a fraction of the nearly 200,000 individuals with intellectual disabilities in Washington who are eligible for its programs.

As the organization navigates through the COVID-19 pandemic and begins the important work of returning to a “better normal” for its constituents, one thing remains clear: Special Olympics Washington is a constant in the lives of its athletes. For individuals with intellectual disabilities in Washington, Special Olympics is often the only place where they can participate in physical activity, health education, and sports in their communities, as well as at a regional and state level. The need to continue these programs is more vital than ever.

Since the inception of the Special Olympics Washington Dream House Raffle in 2013, proceeds from the raffle have enabled the organization to unlock old financial constraints and open the door to new programs and serving more athletes across the state. With the funds earned from the Dream House Raffle, Special Olympics Washington can continue the journey of reaching into every corner of the state to make sure EVERYONE has the opportunity to be tested like champions!

**About Special Olympics Washington**

Special Olympics Washington was incorporated in 1975 and is a 501(c)(3) organization in Washington State. The mission of Special Olympics is to provide year-round sports training and athletic competition in a variety of Olympic-type sports for children and adults with intellectual disabilities, giving them continuing opportunities to develop physical fitness, demonstrate courage, experience joy and participate in the sharing of gifts, skills and friendship with their families, other Special Olympics athletes and the community. Special Olympics Washington currently serves more than 19,500 athletes and has a support system of more than 10,000 volunteers. The organization is part of Special Olympics International, which serves more than 6.7 million athletes and Unified Sports partners in more than 200 countries and jurisdictions.

**About Our Athletes**

Special Olympics serves individuals with intellectual disabilities (or ID). The term is used when a person has certain limitations in cognitive functioning and skills, including communication, social and self-care skills. The goal of Special Olympics Washington is to reach the nearly 200,000 people in Washington State with ID. Special Olympics Washington athletes range in age from 8

years old to the oldest of our athletes who compete into their 70's. We also have a Young Athletes program for children ages 2 to 7.

Special Olympics Washington celebrates people's abilities rather than focus on their disabilities. No matter the person's age or skill level, Special Olympics Washington has something for anyone with intellectual disabilities. We deliver high-quality, year-round competition and training opportunities in an inclusive culture that stresses athletic excellence, rewards determination, emphasizes health, brings together communities and celebrates personal achievement.

### **Empowering Leaders Beyond the Field of Play**

In addition to 23 Olympic-type sports offerings and 180+ local and state competitions, Special Olympics Washington also puts an emphasis on empowering our athletes off the playing field by providing opportunities through our Athlete Leadership Program, Unified Champions Schools and Inclusive Health initiatives.

Athlete Leadership: Athletes are empowered to use their voices to assume meaningful leadership roles, influence change in the Special Olympics movement, and help create more accepting and inclusive communities. In 2022, Special Olympics Washington will induct its first athlete as the chairperson of its board of directors.

Unified Champion Schools: Special Olympics Unified Champion Schools® builds on Special Olympics' values, principles, practices, experiences and impacts to shape a generation that welcomes everyone.

The Special Olympics Unified Champion Schools program is aimed at promoting social inclusion through intentionally planned and implemented activities affecting systems-wide change. With sports as the foundation, the three-component model offers a unique combination of effective activities that equip young people with tools and training to create sports, classroom and school climates of acceptance. These are school climates where students with disabilities feel welcome and are routinely included in, and feel a part of, all activities, opportunities, and functions.

Inclusive Health: Despite severe need and higher health risks, people with intellectual disabilities (ID) are often denied health services and die on average 16 years sooner than the general population. Special Olympics Health is creating a world where people with intellectual disabilities have every opportunity to be healthy.

Inclusive health means people with ID can take full advantage of the same health programs and services available to people who do not have ID. Currently, people with ID face significant challenges in accessing quality health care and obtaining opportunities that promote fitness and wellness, resulting in pronounced health disparities and reduced life expectancy. Special Olympics' health programming focuses on improving the physical and social-emotional well-being of people with ID by increasing inclusion in health care, wellness and health systems for Special Olympics athletes and others with ID.

All our programs and services are provided at no cost to our athletes, Unified partners and/or their families, and are made possible through the Dream House Raffle, individual giving, special events, grants and corporate partnerships.

**SPECIAL OLYMPICS WASHINGTON**  
**Enhanced Raffle Rules**  
**2022**

Special Olympics Washington, a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code, is conducting this raffle pursuant to SB 5723, Washington Administrative Code 230-03-152, to raise funds for ongoing charitable purposes. The Rules and Regulations of the Special Olympics Washington raffle are set forth below. By purchasing a raffle ticket, the purchaser agrees to be bound by these rules and regulations. Special Olympics Washington's interpretation and application of the rules and regulations shall be final.

The Grand Prize Drawing for Special Olympics Washington Dream House Raffle will be held on Friday, May 13, 2022 at 2815 2nd Ave, Suite 370, Seattle, WA, 98121. All early bird drawings will be held at 2815 2nd Ave, Suite 370, Seattle, WA, 98121. Tickets will not be sold after April 29, 2022. Tickets may sell out before that time. An independent raffle auditor will supervise the drawing. The drawing for prizes may be open to the public, but the winner does not need to be present to win.

Only 85,000 tickets will be sold. The chances of winning are based on that number. If fewer tickets are sold, the chances of winning the Grand Prize and other prizes improve. The IRS has taken the position that amounts paid for chances in raffles, lotteries or similar drawings for valuable prizes are not gifts, and consequently do not qualify as deductible charitable contributions.

The Grand Prize Winner assumes all fees, local, state and federal taxes (including but not limited to income taxes based on the value of the prize). Likewise, there are federal taxes and there may be state and/or local tax consequences if the winner selects the alternate cash prize (See Prizes section below). These consequences may apply to other prizes as well. Special Olympics Washington takes no responsibility for any tax liabilities. Consult your tax advisor. This offer is void where prohibited by law, and all federal, state and local laws and regulations apply.

By entering this raffle, entrants accept and agree (1) to be bound by all the rules, limitations and restrictions set forth here and (2) that their names and/or likenesses may be disclosed to and used by the news media and may otherwise be used by Special Olympics Washington for publicity purposes and in lists of prize winners to be published in area newspapers and announced on the Special Olympics Washington raffle website. Special Olympics Washington will provide purchasers all raffle information as required by WAC 230-11-015. Other rules and regulations may apply. Please contact Special Olympics Washington if you have questions. Special Olympics Washington's interpretation and application of the rules and regulations shall be final.

By entering this raffle, each participant releases Special Olympics Washington, its directors, officers, employees and agents from any and all liability for injuries, losses or damages of any kind caused by participating in the raffle or winning any prize or resulting from acceptance, possession, use or misuse of any prize, and each winner agrees to indemnify and hold Special Olympics Washington harmless from any and all losses, damages, rights, claims and actions of any kind rising in connection with or as a result of participating in the raffle or the winner's acceptance or use of any prize.

Special Olympics Washington will provide a "Q&A" document that will be given to potential ticket purchasers and be prominently displayed on the Dream House Raffle website.  
(<https://pugetsoundraffle.com/faq>)

**Tickets:**

Tickets are \$150 each, 3-pack for \$400, or 5-pack for \$550. Only one method of payment, one name, and one mailing address are permitted per ticket pack. Only one eligible person may be entered in the raffle per ticket sold. If the name of more than one person is submitted with a ticket purchase, and that ticket is selected as a winning ticket, then the person named first will be deemed the holder of record of that ticket and declared the winner regardless of who paid for the ticket. Division of prize by a group purchasing a ticket in common shall be to the sole responsibility of the person named as the holder of record of that ticket, should that ticket be selected as a winner.

Early ticket purchases will be included in up to three drawings. Tickets purchased by February 25, 2022, will be eligible for the Early Bird Drawing 1 (drawing date: March 11, 2022). Tickets purchased by March 25, 2022 will be eligible for the Early Bird Drawing 2 (drawing date: April 8, 2022). All such tickets, including all winning tickets from Early Bird drawings, will be included in applicable subsequent drawings as well as the Grand Prize drawing. Tickets purchased by April 29, 2022, will be eligible for the Grand Prize drawing (drawing date: May 13, 2022).

Raffle participants who purchase at least one raffle ticket are eligible to purchase an Add-On ticket in the Add-On drawing. Add-On tickets are one for \$25, 3-pack for \$60 or 6-pack for \$100. Rules for purchasing Add-On tickets are as follows:

The prize for the Add-On drawing is \$100,000 cash. Add-On tickets must be ordered in conjunction with a raffle ticket. Add-On orders will not be accepted after the original raffle ticket order date. Only one method of payment and only one mailing address are permitted. An individual can purchase as many Add-On tickets as he or she may wish. There is no limit on the maximum number of Add-On tickets that may be sold.

Special Olympics Washington reserves the right to reject any entry form that is submitted with payment that does not constitute "good funds." All defective or physically altered entry forms will be immediately disqualified by Special Olympics Washington. Prior to the Grand Prize drawing, Special Olympics Washington will make a reasonable effort to notify the individual and/or entity that submits such an entry form or one which has been rejected because the credit card or check did not clear that the entry has been rejected by attempting to make contact through the information provided at the time of submitting the purchase request. All orders for tickets for the Early Bird drawings must be received and/or purchased by the indicated deadline. Any orders received after these deadlines will be held for the subsequent drawings, if applicable and Grand Prize drawing. Special Olympics Washington assumes no responsibility for lost, late, misdirected or non-delivered mail or fax messages, or any other failure to receive orders or deliver receipts prior to the drawing deadlines.

A raffle participant's sole and exclusive remedy for Special Olympics Washington's breach shall be limited to the return of the purchase price paid for his or her raffle ticket(s). In no event shall Special Olympics Washington, its directors, officers, employees, agents or representatives be liable to any party for any loss or injuries to earnings, profits or goodwill, or for any incidental, special, punitive or consequential damages of any person or entity whether arising in contract, tort or otherwise, even if advised of the possibility of such damages.

**How to Purchase:**

To purchase tickets: use the order form provided and fax the order form to (206) 361-8158, or you may mail it to Special Olympics Washington Dream House Raffle, 2815 2<sup>nd</sup> Avenue, Suite 370 Seattle, WA, 98121 or call 877-740-9633, providing your name, address, phone number along with your credit card number, credit card security code and expiration date. Tickets cannot be

purchased on the raffle website or by email. ***Any entry form submitted by email will be rejected.*** All entries must include payment by cash, check, money order or credit card in US dollars. Special Olympics Washington reserves the right to reject any entry form that is submitted with payment that does not constitute "good funds." No refunds will be made except under the following circumstances: any ticket order with payment received after 85,000 tickets have been sold or after April 29, 2022, will be returned. No other refunds are available except in the exclusive discretion of Special Olympics Washington. Special Olympics Washington assumes no responsibility for lost, late, misdirected or non-delivered mail or fax messages, or any other failure to receive orders or deliver receipts prior to the drawing deadlines.

### **Selection of Winners:**

The Special Olympics Washington Dream House Raffle Grand Prize drawing will be held on May 13, 2022 from all eligible raffle tickets. Winners need not be present to win. Special Olympics Washington will conduct the Early Bird drawings on March 11, 2022 (Early Bird Drawing 1) and April 8, 2022 (Early Bird Drawing 2). The Grand Prize drawing, Multi-Ticket drawing, and Add-On drawing will be held on Friday, May 13, 2022 at 2815 2<sup>nd</sup> Avenue, Suite 370, Seattle, WA, 98121. All Early Bird drawings will be held at 2815 2<sup>nd</sup> Avenue, Suite 370, Seattle, WA, 98121. Winners will be notified according to the contact information provided to Special Olympics Washington at the time of ticket purchase. If the Grand Prize winner cannot be located by 5:00 p.m., May 27, 2022, after attempting to make contact through the information provided at the time of purchasing the ticket, such winner will be deemed to have elected the onetime cash alternate prize and another winner will not be selected for such prize. In addition to the list of winners posted on the Special Olympics Washington raffle website (PugetSoundRaffle.com), a list of winners may be obtained from Special Olympics Washington or by sending a self-address, stamped envelope to Special Olympics Washington Dream House Raffle, 2815 2<sup>nd</sup> Avenue, Suite 370, Seattle, WA, 98121 within one week of the drawing.

In order to collect prizes valued greater than \$4,999, a ticket winner must sign and deliver to Special Olympics Washington: (a) a sworn affidavit of eligibility in accordance with these Rules and applicable law, including without limitation that he or she is at least 18 years old; (b) such written information as is required by any applicable tax and/or real estate laws, including without limitation his or her Social Security Number; (c) proof of identity in forms satisfactory to the Special Olympics Washington showing that the person claiming the prize is the same person who is named on the winning raffle ticket.; and (d) the winning ticket stub. Winners of prizes of \$5,000 or more may be required to submit a W-2G, Form 5754 or similar tax form (provided by Special Olympics Washington) for tax withholding purposes.

### **Winning Odds:**

The odds of winning a prize will depend on the number of tickets sold. If all 85,000 tickets are sold the odds of winning the Grand Prize is 1 in 85,000. If fewer tickets are sold, the chance of winning the Grand Prize, Early Bird Prizes and all secondary prizes improves. The odds to win a prize are no less than 1 in 20.

### **Eligibility:**

Anyone 18 years of age or older may enter. Special Olympics Washington employees, members of the Board of Directors, authorized agents and employees thereof, consultants, attorneys, independent accountant firm, and their spouses and children living in the same household are excluded from participating and are not eligible to win a prize. All federal, state, and local laws and regulations apply. The raffle is void where prohibited or restricted by law. An affidavit of eligibility may be required from prize winners.

**Prizes:**

The Grand Prize is the home located within the Puget Sound area of Washington, and a detailed description will be referred to in all raffle materials. Alternatively, the Grand Prize winner may elect to receive an annuity of \$4,000,000 paid over 20 years or a one-time \$2,800,000 cash payment (except as stated below) based on at least 84,000 tickets sold. The Grand Prize winner must make an election in writing between the house (value \$8,500,000), the annuity, or the one-time cash payment no later than 5:00 p.m. May 27, 2022. In the event of circumstances outside of the control of Special Olympics Washington such as but not limited to: fire, earthquake, foreclosure and as determined by Special Olympics Washington, the Grand Prize winner will instead have no election as stated above and will instead have an election between an annuity of \$4,000,000 paid over 20 years or a onetime \$2,800,000 cash payment (except as stated below). A minimum of at least 84,000 tickets must be sold by April 29, 2022, for the Grand Prize Winner to have a choice of the House, the annuity of \$4,000,000 paid over 20 years, or a onetime \$2,800,000 cash payment alternate prize. If fewer than 84,000 tickets are sold by April 29, 2022, the raffle will be held as scheduled, and prizes will be awarded as advertised with the exception that the Grand Prize Winner will receive a choice between sum equal to 50% of the Net Raffle Proceeds paid as an annuity over 20 years, not to exceed \$4,000,000 or a onetime cash payment of 70% of the annuity value, not to exceed \$2,800,000. Net Raffle Proceeds will be calculated based on Special Olympics Washington accounting, which shall be final and conclusive with respect to the Grand Prize Winner. For these purposes "Net Raffle Proceeds" are defined as the balance of funds left after paying all other prizes, all raffle expenses and all expenses for the House. Special Olympics Washington will estimate the final prize ("Estimate Prize") just prior to the Grand Prize drawing so as to award 90% of the estimated prize payment. No later than 120 days from the drawing date, Special Olympics Washington will verify that all expenses have been accounted for and a final Net amount will be calculated ("Actual Prize"). Special Olympics Washington will issue a final check to the Grand Prize Winner based on the difference between the Actual Prize and the Estimated Prize payment along with an updated W-2G.

All vehicles come base model factory equipped and winner(s) are also solely responsible for any and all state or local license, title, registration, cost differential between the value of the car and the cash alternate prize, taxes, or fees associated with the vehicle, as well as insurance (proof of which must be shown prior to delivery) and pickup or delivery costs at the dealership as well as any non-standard options chosen by the winner and negotiated with the dealership. All winners of vehicles must make an election in writing between the vehicle and the alternative cash payment no later than 5:00 p.m. on the fifth business day after the drawing. All contracted vehicles are subject to availability at the automobile dealer selected by Special Olympics Washington and may be substituted with a comparable vehicle by Special Olympics Washington or with the cash alternate prize.

Vacation travel is as noted on the raffle website. Please note that some vacation travel is for land only and does not include airfare. All vacation and travel prizes are subject to space and availability. All gratuities, taxes and fees are the responsibility of the winner. Winners of travel related prizes must comply with all applicable requirements and restrictions related to said prizes including without limitation applicable travel dates, age restrictions, liability waivers, travel documentation and reservation and confirmation procedures. All contracted vacations are subject to availability and may be substituted with a comparable vacation prize or with a cash alternate prize.

All unclaimed prizes will be returned to Special Olympics Washington 60 days after the Grand Prize drawing date.

## **Early Bird Drawings:**

### Early Bird Drawing 1

Winner's choice between a Mercedes Sprinter Van Custom Conversion, a Lucid Air Pure or \$100,000 cash\*

### Early Bird Drawing 2

Winner's choice between a vehicle Ford Bronco Sport, Toyota Tacoma or \$50,000\*

## **Grand Prize Drawing:**

Grand Prize: The \$8,500,000 Dream House or \$4,000,000 annuity or \$2,800,000 cash option\*

2nd Prize: Winner's choice between a vacation Egypt (11 Days/10 Nights) or \$10,000 cash\*

3rd Prize: Vacation to Morocco (9 Days/8 Nights) or \$5,000 cash\*

4th Prize: Vacation to Peru (10 Days/9 Nights) or \$5,000 cash\*

5th Prize: Vacation to Borneo (12 Days/11 Nights) or \$5,000 cash\*

6th Prize: Vacation to Spain (8Days/7 Nights) or \$5,000 cash\*

7th Prize: Vacation to Portugal (8 Days/7 Nights) or \$5,000 cash\*

8th Prize: Vacation to Sri Lanka (12 Days/11 Nights) or \$5,000 cash\*

9th Prize: Vacation to Costa Rica (14 Days/13 Nights) or \$5,000 cash\*

10th Prize: Vacation to France (8 Days/7 Nights) or \$5,000\*

Prizes 11-20: \$1000 gift card

Prizes 21-40: \$500 gift card

Prizes 41-70: \$250 gift card

Prizes 71-110: \$100 gift card

Prizes 111-2410: \$50 gift card

Prizes 2411-4250: \$25 gift card

\*Except as stated above

Gift card winners (11-4250) will be notified via email and will have a choice between receiving a gift card from one of the following brands:

- REI
- Landry's
- Hulu
- Sephora
- Sunbasket
- Panera Bread
- Adidas
- Homegoods
- Chipotle
- GrubHub
- Darden
- Visa Gift Card

## **Bonus Drawing:**

### Multi-Ticket Drawing

Prize: BMW 5 Series, Vacation to New Zealand (16 days, 15 nights) or \$50,000 cash

Any individual who buys three or more tickets will be entered into the Multi-Ticket drawing, subject to the following: to be eligible entrants must purchase three or more tickets during the same

purchase, using one method of payment, using the same name on each ticket, and the same mailing address for each eligible ticket. For each eligible ticket purchased, a corresponding eligible ticket will be added into the Multi-Ticket drawing. Three tickets purchased will have three tickets entered into the Multi-Ticket drawing. Four tickets purchased will have four tickets entered into the Multi-Ticket drawing, etc. Multiple tickets purchased at the same time are eligible for discounts. Multiple tickets can be purchased individually or a 3-pack for \$400, or 5-pack for \$550.

**Add-On Drawing:**

Prize: \$100,000

Raffle participants who purchase at least one raffle ticket are eligible to purchase an Add-On ticket in the Add-On drawing. Add-On tickets are one for \$25, 3-pack for \$60 or 6-pack for \$100.

Rules for purchasing Add-On tickets are as follows:

The prize for Add-On is \$100,000 cash. Add-On tickets must be ordered in conjunction with a raffle ticket. Add-On orders will not be accepted after the original raffle ticket order date. Only one method of payment and only one mailing address are permitted. An individual can purchase as many Add-On tickets as he or she may wish. There is no limit on the maximum number of Add-On tickets that may be sold.

**General Terms and Conditions:**

No express warranties are given and no affirmation of Special Olympics Washington by words and/or actions will constitute a warranty. The \$8,500,000 House, if selected, will be transferred to the Grand Prize Winner "as is, where is, and with all faults." Special Olympics Washington does not provide any guarantee or warranty, expressed or implied, in connection with the House and accepts no liability or responsibility regarding the construction or condition of the House. Special Olympics Washington does not warrant that the house is of mercantile quality or that it can be used for any particular purpose. No express warranties are given and no affirmation of SOWA by words and/or actions will constitute a warranty.

At the time of closing, all federal and state income taxes based on the value of the House will be due from the Grand Prize Winner. If the Grand Prize winner selects the annuity or the one-time cash payment as well as winners of Early Bird prizes, Multi-Ticket prize, Add-On prize, and secondary prizes of \$5,000 or more, all appropriate and required federal and state taxes will be withheld by Special Olympics Washington in accordance with federal and state law and Special Olympics Washington will remit the balance of the cash prizes to the winners. Special Olympics Washington makes no guarantee that the Grand Prize Winner will be able to sell the House for the value of \$8,500,000 nor is there any guarantee that the Internal Revenue Service (IRS) will accept that value of the house for the purpose of determining any income tax that may be due from the winner. Special Olympics Washington takes no responsibility for any tax liabilities. Consult your tax advisor.

Any controversy or claim arising out of or relating to the contract, or the breach thereof, shall be settled by binding arbitration administered by the American Arbitration Association (pursuant to its expedited procedures) under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

**c(i) Dates of raffle and drawing:**

January 24 – Start date

March 11 – Early Bird 1 drawing

April 8 – Early Bird 2 drawing

April 29 – Grand Prize deadline

May 13 – Grand Prize drawing, Multi-Ticket drawing and Add-On drawing



**c(ii) Cost of raffle ticket:**

Tickets are \$150 each, or 3-tickets for \$400, or 5 tickets for \$550  
Add-On Tickets are 1 for \$25, 3-pack for \$60 or 6-pack for \$100

**c(iii) Prizes available:**

**Early Bird Drawings:**

Early Bird Drawing 1

Winner's choice between a Mercedes Sprinter Van Custom Conversion, a Lucid Air Pure or \$100,000 cash

Early Bird Drawing 2

Winner's choice between a vehicle Ford Bronco Sport, Toyota Tacoma or \$50,000

**Grand Prize Drawing:**

Grand Prize: The \$8,500,000 Dream House or \$4,000,000 annuity or \$2,800,000 cash option\*

2nd Prize: Winner's choice between a vacation Egypt (11 Days/10 Nights) or \$10,000 cash\*

3rd Prize: Vacation to Morocco (9 Days/8 Nights) or \$5,000 cash\*

4th Prize: Vacation to Peru (10 Days/9 Nights) or \$5,000 cash\*

5th Prize: Vacation to Borneo (12 Days/11 Nights) or \$5,000 cash\*

6th Prize: Vacation to Spain (8Days/7 Nights) or \$5,000 cash\*

7th Prize: Vacation to Portugal (8 Days/7 Nights) or \$5,000 cash\*

8th Prize: Vacation to Sri Lanka (12 Days/11 Nights) or \$5,000 cash\*

9th Prize: Vacation to Costa Rica (14 Days/13 Nights) or \$5,000 cash\*

10th Prize: Vacation to France (8 Days/7 Nights) or \$5,000\*

Prizes 11-20: \$1000 gift card

Prizes 21-40: \$500 gift card

Prizes 41-70: \$250 gift card

Prizes 71-110: \$100 gift card

Prizes 111-2410: \$50 gift card

Prizes 2411-4250: \$25 gift card

\*Except as stated above

Gift card winners (11-4250) will be notified via email and will have a choice between receiving a gift card from one of the following brands:

- REI
- Landry's
- Hulu
- Sephora
- Sunbasket
- Panera Bread
- Adidas
- Homegoods
- Chipotle
- GrubHub
- Darden
- Visa Gift Card

**Bonus Drawings:**

Multi-Ticket Drawing

Prize: BMW 5 Series, Vacation to New Zealand (16 days, 15 nights) or \$50,000 cash

Add-On Drawing

Prize: \$100,000

**c(iv) Security of prizes:**

Prizes including cash, vacations, and cars, which will be purchased and awarded after each applicable drawing with raffle revenue, thus prizes don't need to be protected since they are not being purchased prior to the raffle drawing.

**c(v) Plans for selling raffle tickets:**

Raffle tickets will be sold via phone, fax, mail, and in person.

Please refer to the Raffle Ticket Process document attachment (**Attachment A**)

**c(vi) Description of how the integrity of the raffle will be protected:**

Special Olympics WA will conduct an audit of ticket stubs prior to each drawing. The audit will be performed by the CEO who will use an Excel generated random list of tickets to audit. The tickets will be made up of the entire population of tickets sold, both active and voided. The sample size will be no less than 90 tickets.

All ticket purchase proceeds of the raffle, whether the tickets are sold in the SOWA office by SOWA designated staff or through the call center, will be deposited into a Special Olympics WA raffle account which is separate from the Organization's general operating funds.

An employee of Special Olympics WA will draw all winning raffle tickets.

**d) Explanation of how the proceeds from the raffle will be used:**

Funds will be used to further drive the vision of Special Olympics Washington as described on page 1 of this document.

**e) Plan to protect the licensee in the event of low ticket sales and other risks:**

In the event that Special Olympics Washington determines ticket sales are insufficient to qualify for a complete enhanced raffle to move forward, the enhanced raffle winner must receive fifty percent of the net proceeds in excess of expenses as the Grand Prize. The enhanced raffle winner will receive a choice between an annuity value equal to 50% of the net proceeds in excess of expense paid by annuity over 20 years, or a one-time cash payment of 70% of the annuity value. In no case will the Grand Prize be less than \$50,000. Unless, the raffle ticket sales fall at or below the breakeven amount of 17,146 tickets sold, and net proceeds in excess of expenses produce a negative value, Special Olympics Washington will consider refunding all purchases and cancelling the raffle due to insufficient sales of tickets or issuing a flat \$5,000 to the Grand Prize winner.

**f) Explanation of how the prize(s) will be purchased for the raffle:**

Cash prizes are offered from the sale of raffle tickets. Non-cash prizes, such as vacations and cars will be purchased if the winner chooses such prize in lieu of cash.

**g) Projected budget includes the following – (Attachment B):**

- i. Estimated gross gambling receipts, expenses, and net income for the raffle
  - ii. Corresponding sales and prize levels with projected revenues and expenses for each level.
  - iii. Minimum and maximum prizes available.
- h) SOWA's dedicated employee is Mary Do.
- i) NZ Consulting Inc. will be the licensed service supplier.
- j) Incept will be our licensed call center.
- k) Raffle Ticket Process Document (**Attachment A**)

**SPECIAL OLYMPICS WA**  
 WSGC Ticket Sales  
 2022

	<b>Breakeven</b>	<b>% of revenue</b>	<b>Annuity \$300k/Lump Sum \$210k GP</b>		<b>\$4M Annuity or \$2.8M Lump sum GP</b>		<b>House GP</b>
Total # of Raffle Tickets	17,146		21,500		84,000		84,000
Average Price/ticket	\$ 123		\$ 123		\$ 123		\$ 123
<b>GROSS RAFFLE TICKET SALES</b>	<b>\$ 2,108,958</b>		<b>\$ 2,644,500</b>		<b>\$ 10,332,000</b>		<b>\$ 10,332,000</b>
Total # of Add On Tickets	19,707		24,711		96,547		96,547
Average Price/ticket	\$ 18		\$ 18		\$ 18		\$ 18
<b>GROSS ADD ON TICKET SALES</b>	<b>\$ 354,727</b>		<b>\$ 444,805</b>		<b>\$ 1,737,841</b>		<b>\$ 1,737,841</b>
<b>TOTAL SALES</b>	<b>\$ 2,463,685</b>		<b>\$ 3,089,305</b>		<b>\$ 12,069,841</b>		<b>\$ 12,069,841</b>
<b>Expenses:</b>							
Advertising	717,086	34.0%	717,086	27.1%	717,086	6.9%	717,086
Professional Fees	342,248	16.2%	405,020	15.3%	1,374,189	13.3%	1,374,189
Postage	621,537	29.5%	621,537	23.5%	621,537	6.0%	621,537
Personnel	84,002	4.0%	84,002	3.2%	84,002	0.8%	84,002
Sales Expense	85,398	4.0%	85,398	3.2%	85,398	0.8%	85,398
Prize Expense	542,500	25.7%	542,500	20.5%	542,500	5.3%	542,500
Regulatory Expense	13,791	0.7%	15,930	0.6%	48,007	0.5%	48,007
<b>TOTAL EXPENSE</b>	<b>2,406,562</b>	<b>114.1%</b>	<b>2,471,473</b>	<b>93.5%</b>	<b>3,472,719</b>	<b>33.6%</b>	<b>3,472,719</b>
<b>NET INCOME BEFORE GP</b>	<b>57,123</b>		<b>617,832</b>		<b>8,597,122</b>		<b>8,597,122</b>
Grand Prize - Annuity	N/A		308,916		4,000,000		N/A
Grand Prize - Lump Sum	50,000		216,241		2,800,000		N/A
Net to SOWA - Lump Sum Pmt	7,123		401,591		5,797,122		N/A
Net to SOWA - Annuity	N/A		370,699		5,397,122		N/A
Grand Prize - House	N/A		N/A		N/A		8,500,000
Net to SOWA - House Option	N/A		N/A		N/A		97,122



# Self Exclusion

Measurables

Washington State Gambling Commission

Presented by Tony Hughes





# Time Period Selected for Participation

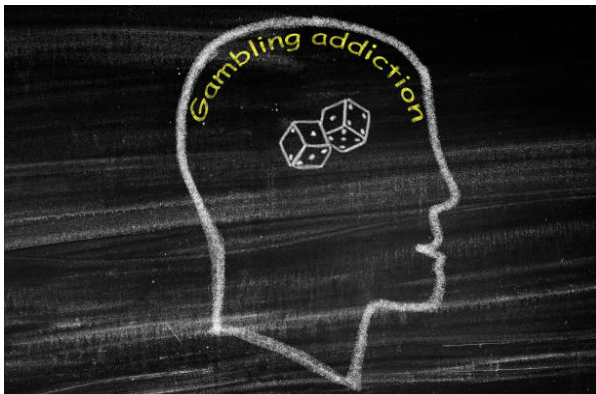
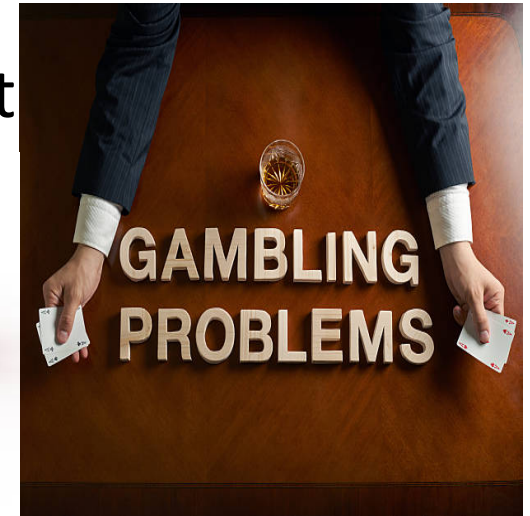
1, 3, 5, or 10 years

- # of new participants by time period
- Total # of participants for each time period
- How many participants are due to come off the list in upcoming year
- How many participants remain on the list after their time period selected expired



# Removal from Program

How many participants chose to remove themselves after expiration



What time period did these participants initially select

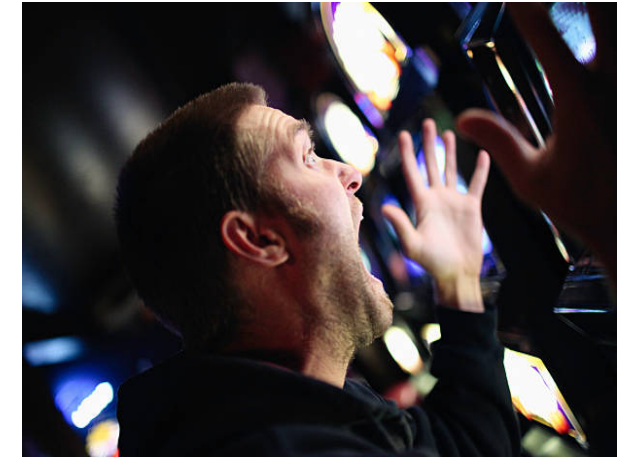


# Confiscated Funds/Breaches

## Participants caught on-site at House-banked Cardroom



How many participants caught on-site



Description of the incident – caught at the door, table games, bar, ...

# Confiscated Funds/Breaches

## Were funds confiscated

How much was confiscated

Did confiscated funds get forwarded to HCA and other organizations

Where did confiscated funds go and how much

- HCA (at least 70%)
- List other charitable & nonprofit organizations



# Regulatory Compliance

## Licensee violations from Regulatory compliance inspections

### Outcomes



# Other

Tribal Participation (any changes)

Enrollment forms denied

- Insufficient information, persons attempting to enroll others, ...

Online Enrollment Update (IT Modernization)





Questions?





STATE OF WASHINGTON  
GAMBLING COMMISSION

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

January 13, 2022

**TO:** COMMISSIONERS:  
Bud Sizemore, Chair  
Julia Patterson, Vice Chair  
Sarah Lawson  
Alicia Levy  
Kristine Reeves

**FROM:** Adam Teal, Acting Legal Manager  
Legal and Records Division

**SUBJECT: Cuong C. Dang, CR 2021-00961**  
**Final Order – January 13, 2022 Commission Meeting**

Cuong Dang has a gambling license authorizing Public Card Room Employee activity at Roman Casino in Seattle, Washington. His license expires on March 15, 2022.

On June 29, 2021, the General Manager of Roman Casino contacted a WSGC Special Agent to inform him that one of their employees, Cuong Dang, had just been arrested for stealing \$5,400 in chips while dealing at Roman. Shortly after, Roman's GM sent another email following a review of Dang's recent activity. After a review of recent surveillance footage, Roman determined that Dang had stolen chips on three additional occasions between June 23, 2021 and June 24, 2021. The Agent reviewed video surveillance footage of the incidents provided by Roman. That footage confirmed that Dang had stolen chips during the times alleged, by using the same tactic each time: Dang would extend his right arm, and reach underneath it with his left hand to grab the chips and place them in his pocket. After close review, the Agent determined that the total number of chips taken by Dang amounted to \$16,500.

Interim Director Tina Griffin issued Dang a Notice of Administrative Charges on October 19, 2021, by regular and certified mail to his last known address on file. Pursuant to WAC 230-17-010, a response was required to be received by the Commission by November 15, 2021. To date, the Commission has received no communication from Dang.

Cuong Dang's failure to respond to the charges or timely request a hearing is a waiver of Dang's right to a hearing in Case No. CR 2021-00961. You may take final action against his gambling license. While in the course of his employment as a Card Room Employee, Dang took control over \$16,500 worth of chips, with the intent to deprive Roman Casino of them. In doing so, Dang is in violation of RCW 9A.56.040, 9.46.1961 and 9.46.075(1). Based on his conduct, Dang cannot show by clear and convincing evidence that he is qualified to keep his gambling license. Therefore, staff recommends that the Commission sign the proposed final order and revoke Cuong Dang's Public Card Room Employee license, Number 68-07669.

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**STATE OF WASHINGTON  
GAMBLING COMMISSION**

7 In the Matter of:

NO. CR 2021-00961

8  
9 CUONG C. DANG,  
License No. 68-07669,

FINAL ORDER OF THE  
GAMBLING COMMISSION

10  
11 Licensee.

---

12 This matter having come before the Washington State Gambling Commission  
13 (Commission) on January 13, 2022, the Commission makes the following Findings of Fact,  
14 Conclusions of Law, and issues its Final Order:

15 **I. FINDINGS OF FACT**

16 1. The Washington State Gambling Commission issued Cuong Dang License No.  
17 68-07669 authorizing Public Card Room Employee activity at Roman Casino in Seattle,  
18 Washington.

19 2. This license, which expires on March 15, 2022, was issued subject to Dang's  
20 compliance with state gambling laws and Commission rules.

21 3. Dang has been licensed since 1999.

22 4. On June 29, 2021, a WSGC Special Agent received an email from Gus Routsos,  
23 the General Manager of Roman Casino, Seattle. Routsos informed the Agent that one of his  
24 licensed Card Room Employees, Cuong Dang had just been arrested for stealing about \$5,400  
25 in chips while dealing at Roman.  
26

1           5.       On June 30, 2021, Routos sent both the Maverick and iTrak (surveillance)  
2 Incident Reports pertaining to the theft. According to the reports, at around 1707, Dang had  
3 reached into the chip tray while he was dealing, and grabbed about eighteen (18) purple \$300  
4 chips with his left hand.

5           6.       The report continued that Dang struggled while placing the chips into his pocket,  
6 and as a result, he dropped one of the chips underneath his chair. A different Roman employee  
7 came across the dropped chip and reported finding it on the floor.

8           7.       On July 2, 2021, the Agent received and updated iTrak Internal Report from  
9 Routos. The updated report continued the investigation into Dang's activity while working at  
10 Roman from June 14, 2021 through June 29, 2021. That review discovered three additional  
11 incidents and a total of \$13,500 taken:

- 12                   a.       On June 23, 2021 at approximately 1531, while at Table 8, Dang reached  
13 underneath his arm with his left hand and grabbed what appeared to be a  
14 full barrel<sup>1</sup> of \$300 chips, and put the chips into his left pocket. A total  
15 of \$6,000 was taken as a result.
- 16                   b.       On June 24, 2021, at approximately 1733, while at Table 4, Dang reached  
17 underneath his extended arm with his left hand and took what appeared to  
18 be about fourteen (14) purple chips and put them into his left pocket. A  
19 total of approximately \$4,200 was taken.
- 20                   c.       Also on June 24, 2021, at approximately 1959, while at Table 2, Dang  
21 reached his left hand underneath his extended right arm and took about  
22 eleven (11) \$300 chips and put them into his left pocket. This resulted in  
23 Dang stealing an additional \$3,300.

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26                   <sup>1</sup> A barrel of chips is the amount of chips that fit into one stack in the chip rack used to transport chips.  
Twenty (20) chips can fit into one barrel.



1           8.       The Agent then went to Roman Casino in order to get copies of the surveillance  
2 footage for all of the incidents involving Dang. While at Roman, the Agent spoke with King  
3 County Sheriff's Office Detective Corbett Ford. The two exchanged contact information in  
4 order to share any reports that they drafted.

5           9.       On July 6, 2021, the Agent reviewed the surveillance footage that was provided  
6 to him by Roman Casino's staff. The Agent's review of the footage confirmed Dang's activity  
7 as had been reported.

8           10.      While reviewing the footage, the Agent zoomed in on the chip trays before and  
9 after Dang stole the \$300 chips. This led the Agent to believe that a slightly different total of  
10 chips, \$3,000 more, had been stolen by Dang. The Agent's review determined \$16,500 in chips  
11 was taken:

- 12                   a.    On June 23, 2021, Dang stole \$4,500 in chips.
- 13                   b.    On June 24, 2021, Dang stole twelve (12) \$300 chips at approximately  
14                           5:33 p.m. and an additional ten (10) \$300 chips at 7:59 p.m. totaling of  
15                           \$6,600.
- 16                   c.    On June 29, 2021, Dang stole a total of eighteen (18) \$300 chips totaling  
17                           \$5,400.

18           11.      On July 8, 2021, Detective Ford reached out to the Agent regarding the total  
19 amount that Dang had stolen. The Agent outlined his findings from his review of the surveillance  
20 footage.

21           12.      On July 15, 2021, Detective Ford sent the Agent copies of the final report that he  
22 was filing for criminal charges against Dang. The conclusion of that report was that Ford  
23 submitted his findings for Dang to be charged with two separate counts of Theft in the First  
24 Degree, RCW 9A.56.030, and one count of Theft in the Second Degree, RCW 9A.56.030.

25           13.      Interim Director Tina Griffin issued administrative charges on October 19, 2021  
26 alleging that Dang's actions constituted a violation of RCW 9A.56.0404, 9.46.1961, 9.46.075

1 (1), and WAC 230-03-085(3). Further, that Dang could not show by clear and convincing  
2 evidence that he was qualified for licensure as required by RCW 9.46.153(1), and that his actions  
3 warranted revocation of his license pursuant to RCW 9.46.075(1), (8) and (10) and WAC 230-  
4 03-085(1) and (9)(a) and (d).

5 14. Dang was sent the charges by regular and certified mail on October 19, 2021 to  
6 the last address the Gambling Commission had on file.

7 15. Pursuant to WAC 230-17-010, a response was required to be received by the  
8 Commission by November 15, 2021. To date, the Commission has received no communication  
9 from Dang.

## 10 II. CONCLUSIONS OF LAW

11 1. Cuong Dang received proper notice of the charges within three days of October  
12 19, 2021 via regular and certified mail, pursuant to RCW 34.05.413 RCW 34.05.434, WAC 230-  
13 17-005, WAC 230-17-010, and WAC 10-08-130.

14 2. The Commission can take final action against Cuong Dang's gambling license  
15 under Case Number CR 2021-00961 pursuant to RCW 9.46.075, RCW 34.05.440(1), RCW  
16 34.05.461, and WAC 230-03-085.

17 3. Cuong Dang's license should be revoked under Case Number CR 2021-00961  
18 pursuant to RCW 9.46.075, RCW 9.46.153(1), RCW 34.05.440(1), RCW 34.05.461, and WAC  
19 230-03-085.

## 20 III. ORDER

21 This matter having come before the Commission at its January 13, 2022, Commission  
22 meeting, the Commissioners having heard arguments, been given the chance to review the  
23 administrative record, and being fully advised in this matter, now therefore:

24 It is hereby **ORDERED** that Cuong Dang's gambling license, Number 68-07669, is  
25 **REVOKED**.  
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DATED this 13<sup>th</sup> day of January, 2022.

\_\_\_\_\_  
BUD SIZEMORE, Chair

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JULIA PATTERSON, Vice Chair

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ALICIA LEVY

\_\_\_\_\_  
KRISTINE REEVES

\_\_\_\_\_  
SARAH LAWSON

**NOTICE**

Reconsideration: RCW 34.05.470 and WAC 230-17-140 provide that a party may file a petition for reconsideration of a final order. A petition for reconsideration must be received no later than thirteen (13) days after the date this final order is mailed. Any motion for reconsideration must state the specific grounds supporting the party's request for reconsideration.

Stay of Final Order: Filing for reconsideration does not stay the effectiveness of this Order. WAC 230-17-145 provides that a party may petition the Commission for a stay of a final order. Any petition for a stay should be received by the Commission within thirteen (13) days after the date this final order is mailed.

Judicial Review: RCW 34.05.542 provides that a party may appeal this final order by filing a petition for judicial review within thirty (30) days after service of this order. A petition for judicial review must be filed with the appropriate superior court and served upon both the Commission and the Office of the Attorney General.

Service: This Order was served on you three days after it was deposited in the United States Postal Service regular mail, excluding the date of mailing. WAC 230-17-035.

Any motions or petitions for judicial review should be served on or mailed to:

Washington State Gambling Commission  
Legal and Records Division  
4565 7<sup>th</sup> Avenue S.E., Lacey, WA  
P.O. Box 42400  
Olympia, WA 98504-2400

Doug Van de Brake  
Attorney General's Office  
1135 Washington St. SE  
P.O. Box 40100  
Olympia, WA 98504-0100

**CERTIFICATE OF SERVICE**

I certify that on the date below I served a copy of the foregoing document on all parties and/or their counsel by United States Postal Service regular mail to the following:

CUONG C DANG  
11051 14<sup>TH</sup> AVE SW  
SEATTLE, WA 98146

EXECUTED this \_\_\_\_ day of January, 2022, at Lacey, Washington.

\_\_\_\_\_  
Ashlie Laydon  
Rules Coordinator

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**STATE OF WASHINGTON  
GAMBLING COMMISSION**

In the Matter of:	NO. CR 2021-00961
CUONG C. DANG License No. 68-07669,	NOTICE OF ADMINISTRATIVE CHARGES
Licensee.	

These administrative charges are brought under and in accordance with Chapter 9.46 RCW, the Washington State Gambling Act, Chapter 34.05 RCW, the Administrative Procedure Act, and Title 230 WAC, Rules adopted by the Gambling Commission.

**I. LICENSE**

1. The Washington State Gambling Commission (WSGC) issued Licensee Cuong Dang a gambling license, License No. 68-07669, authorizing Public Card Room Employee activity at Roman Casino in Seattle, Washington

2. This license, which expires on March 15, 2022 was issued subject to Dang’s compliance with state gambling laws and Commission rules.

**II. FACTUAL BACKGROUND**

1. On June 29, 2021, a WSGC Special Agent received an email from Gus Routos, the General Manager of Roman Casino, Seattle. Routos informed the Agent that one of his licensed Card Room Employees, Cuong Dang had just been arrested for stealing about \$5,400 in chips while dealing at Roman.

1           2.     On June 30, 2021, Routos sent both the Maverick and iTrak (surveillance)  
2 Incident Reports pertaining to the theft. According to the reports, at around 1707, Dang had  
3 reached into the chip tray while he was dealing, and grabbed about eighteen (18) purple \$300  
4 chips with his left hand.

5           3.     The report continued that Dang struggled while placing the chips into his  
6 pocket, and as a result, he dropped one of the chips underneath his chair. A different Roman  
7 employee came across the dropped chip and reported finding it on the floor.

8           4.     On July 2, 2021, the Agent received and updated iTrak Internal Report from  
9 Routos. The updated report continued the investigation into Dang's activity while working at  
10 Roman from June 14, 2021 through June 29, 2021. That review discovered three additional  
11 incidents and a total of \$13,500 taken:

12               a.    On June 23, 2021 at approximately 1531, while at Table 8, Dang reached  
13 underneath his arm with his left hand and grabbed what appeared to be a  
14 full barrel<sup>1</sup> of \$300 chips, and put the chips into his left pocket. A total of  
15 \$6,000 was taken as a result.

16               b.    On June 24, 2021, at approximately 1733, while at Table 4, Dang reached  
17 underneath his extended arm with his left hand and took what appeared to  
18 be about fourteen (14) purple chips and put them into his left pocket. A  
19 total of approximately \$4,200 was taken.

20               c.    Also on June 24, 2021, at approximately 1959, while at Table 2, Dang  
21 reached his left hand underneath his extended right arm and took about  
22 eleven (11) \$300 chips and put them into his left pocket. This resulted in  
23 Dang stealing an additional \$3,300.

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26           <sup>1</sup> A barrel of chips is the amount of chips that fit into one stack in the chip rack used to transport chips.  
Twenty (20) chips can fit into one barrel.





1 \$16,500 in chips over the course of three days while working as a dealer. In doing so, Cuong  
2 has committed Theft in the First degree, a violation of RCW 9A.56.040.

3 2. By knowingly stealing \$16,500 in chips in the course of his employment, Cuong  
4 Dang employed a scheme to defraud an operator, his employer Roman Casino. In doing so,  
5 Cuong Dang is guilty of Cheating in the First Degree, a violation of RCW 9.46.1961.

6 3. By taking unauthorized control over the property of another, Cuong Dang has  
7 demonstrated a willful disregard for complying with ordinances, statutes, or administrative  
8 rules. As a result, the WSGC may revoke Dang's gambling license, per RCW 9.46.075(1) and  
9 WAC 230-03-085(3).

10 4. Cuong Dang has failed to prove by clear and convincing evidence that he is  
11 qualified for licensure, as required by RCW 9.46.153(1)

12 5. The Commission is authorized to revoke Cuong Dang's Public Card Room  
13 Employee license pursuant to RCW 9.46.075(1), (8) and (10), RCW 9.46.153(1), and WAC  
14 230-03-085(1) and (9)(a) and (d).

15 **IV. REVOCATION**

16 1. The above-referenced findings are a sufficient basis for revocation of Cuong  
17 Dang's Public Card Room Employee License.

18 2. Based on the facts and violations referenced above, the penalty for Cuong  
19 Dang's actions is **REVOCATION** of his Public Card Room Employee License.

20  
21 I have read this Notice of Administrative Charges, know the contents of it, believe it to  
22 be true, and have executed this Notice in my capacity as Director of the Washington State  
23 Gambling Commission.

24 *Tina Griffin*

10/15/2021

25 \_\_\_\_\_  
26 TINA GRIFFIN, INTERIM DIRECTOR  
Washington State Gambling Commission

\_\_\_\_\_  
Date

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**HEARING NOTICE**

You have the opportunity to request a hearing to contest the Commission’s decision to revoke your public card room employee license. To request a hearing and/or discuss settlement options, the Commission must receive the enclosed hearing request form within 23 days from date of our mailing identified below. ***Failure to return the enclosed hearing request will result in a default order revoking your license.***

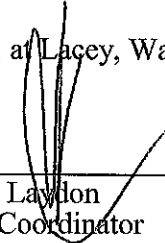
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**CERTIFICATE OF SERVICE**

I certify that on the date below I served a copy of the foregoing document on all parties or their counsel by United States Postal Service regular and certified mail to the following:

CUONG C DANG  
11051 14<sup>TH</sup> AVE SW  
SEATTLE WA 98146

EXECUTED this 19 day of October, 2021, at Lacey, Washington.

  
\_\_\_\_\_  
Ashlie Layton  
Rules Coordinator



**Rule Petition to Amend**  
Card Room Surveillance.

**January 2022 – Commission Review**  
**November 2021 – Rule-Making Petition Received**

**Tab 5: JANUARY 2022 Commission Meeting Agenda.**

**Statutory Authority 9.46.070**

**Who Proposed the Rule Change?**

Tim Merrill, Maverick Gaming from Kirkland, Washington

**Background**

Tim Merrill of Maverick Gaming in Kirkland, Washington is proposing to amend existing rules to allow for the ability to monitor card room gambling activity from one card room to a centralized surveillance room.

The petitioner feels this change is needed because the ability to have staff in a central location allows for the surveillance observers to be under experienced surveillance management that can provide consistent training. The petitioner states that the surveillance management team would be able to work together when it comes to investigating, reporting, writing, and reviewing any questionable footage. The petitioner feels that a centralized surveillance monitoring location would be an opportunity to promote consistency and allow instant communication to gaming agents and allow the surveillance management an opportunity to respond to equipment malfunctions quickly and effectively, which will streamline reporting to the Gambling Commission.

More importantly, the petitioner notes this change is needed because they are having a difficult time finding employees during these trying times and to run an efficient surveillance room, card rooms need to have qualified people to protect casino assets, customers, and employees, and maintain compliance.

The petitioner feels the effect of this rule change would ensure that all regulations are being followed and that video preservation is being observed as a controlled environment promotes confidentiality, teamwork, and safety. The petitioner points out this change would require an encrypted point to point connection from one card room to one central location.

Currently, rules require Class F and house-banked card room licensees to maintain analog or digital closed-circuit television (CCTV) systems within their licensed premises that is monitored by the licensee's card room employees. Licensed service suppliers may remotely access digital CCTV systems for maintenance or repair under certain conditions.

**Attachments:**

- Petition

**Policy Considerations**

Staff have the following policy concerns:

- RCW 9.46.240 prohibits the transmission of gambling information via the internet. Equipment that allows the transmission of gambling information during a live round of play, before the outcome of a wager has been determined, has not been previously allowed;
- Type of security encryption used to transmit surveillance video;
- Ability to remain a closed surveillance system;

- Location and access of stored and on-site surveillance video by our staff and law enforcement;
- Bandwidth to view surveillance without interruption;
- Response time of the licensed card rooms when contacted by the centralized surveillance room and vice versa;
- Licensure of the centralized surveillance room and its employees since they are not tied to a specific licensee;
- Who would be responsible for the centralized surveillance room violations when they are tied to a number of licensed card rooms;
- The number of card rooms the centralized surveillance room can adequately cover, staffing, etc.; and
- Ability to review, playback, record, magnify video surveillance with clarity, showing fluid motion and clearly distinguish the value of currency, coins, gaming chips, playing cards, and outcome of the game, and effectively monitor, in detail, all required areas.

The petitioner stated that they have received special permission in Colorado and Nevada to operate a centralized surveillance room. Staff has not confirmed that any jurisdictions in the U.S. currently allow for centralized surveillance rooms for gaming activities.

#### **Staff Recommendation**

Under the requirements of the Administrative Procedure Act, the Commission must take action on a petition within 60 days of receiving it. Your options are:

- 1) Initiate rule-making proceedings by filing the rule as proposed for further discussion; or
- 2) Deny the petition in writing, a) stating the reasons for denial and specifically address the concerns stated in the petition, or b) where appropriate, indicate alternative means by which the agency will address the concerns raised in the petition.

Staff recommends initiating rule-making that would address any policy concerns.

## Laydon, Ashlie (GMB)

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**From:** no-reply@wsgc.wa.gov on behalf of WSGC Web <no.reply@wsgc.wa.gov>  
**Sent:** Thursday, November 11, 2021 10:51 AM  
**To:** Rules Coordinator (GMB)  
**Subject:** Request a Rule Change Submission from wsgc.wa.gov

External Email

Submitted on Thursday, November 11, 2021 - 10:48am Submitted by anonymous user: 50.237.113.162 Submitted values are:

Petitioner's Name: Tim Merrill  
Mailing Address: 12530 NE 144th ST  
City: Kirkland  
State: WA  
Zip Code: 98034  
Phone: 4252641050

Email: TM@maverickgaming.com

Rule Petition Type: Amend Rule – I am requesting WSGC to change an existing rule.

==Amend Rule – I am requesting WSGC to change an existing rule.==

List rule number (WAC) if known:

I am requesting the following change: The ability to monitor card room gambling activity from one card room to one centralized surveillance room.

This change is needed because:

The ability to have staff in a central location allows for the surveillance observers to be under experienced surveillance management that can providing consistent training. The surveillance management team will be able to work together when it comes to investigating, reporting writing, and reviewing any questionable footage.

A centralized surveillance monitoring location will give us the opportunity to promote consistency and allow instant communication to our gaming agents. Working together will give the surveillance management an opportunity to respond to equipment malfunctions quickly and effectively. This allows us the ability to have a streamline reporting to WSGC agency with one monitoring location for quick and easy accessibility. By giving the surveillance observers the ability to work together they will be able to work together in handling stressful situations that require multi-tasking, easily and effectively. By having the potential for a team to work together in one surveillance room ensures that all regulations are being followed and video preservation is being observed. A controlled environment that promotes confidentiality, teamwork, and safety.

Lastly, but more importantly, we are having a very hard time finding employees during these trying times. To run an efficient surveillance room, we need to have qualified people to protect

the assets of the casino, protect the customers and the employees, and maintain compliance.

The effect of this rule change will be: To allow an encrypted point to point connection from one cardroom to one central location.

The results of this submission may be viewed at:

<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.wsgc.wa.gov%2Fnode%2F18%2Fsubmission%2F2928&data=04%7C01%7Crules.coordinator%40wsgc.wa.gov%7C5e278e01302740bea82c08d9a54436a8%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C637722534666668752%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTil6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&odata=UWbiHu5H4bTg36xAmRpsulEJnQ0NGJX3rMITLztpOU0%3D&reserved=0>



**MAVERICK**  
G A M I N G

Washington Centralized Surveillance

Jan 7, 2022





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# TABLE OF CONTENTS

**01** OVERVIEW

**02** NETWORK TOPOLOGY

# Overview

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The why



# Objective of Centralize



## OVERVIEW

Maverick Gaming proposes to centralize surveillance monitoring for our Washington properties. The centralized surveillance monitoring would provide the ability to observe card room gambling activity from individual card rooms to a secure centralized surveillance room. All existing surveillance equipment (cameras, DVRs, monitors, surveillance software and other related equipment) will remain at each property and the existing surveillance rooms will remain secured.

## THE OBJECTIVE

Provide consistency throughout our property's surveillance monitoring;  
Leverage staffing to eliminate staffing shortages due to the current environment;  
Centralize reporting, training, and supervision; and communication

## THE SOLUTION

Build a centralized Surveillance Room operated on a 24-hour/7-days per week basis with multiple observers and supervisory personnel.  
Our proposed centralized team would be comprised of our existing surveillance team with addition of new team members with specialized skills  
Property management is trained on the system if immediate access is required at a remote location for local viewing in the event of connection issue.  
Leverage staffing, training, support, and standard common process across our organization.  
All properties have and will continue to have their own totally functioning and operational surveillance systems and rooms.  
Our centralized surveillance room will act as the main viewing area and will have remote viewing for all properties.

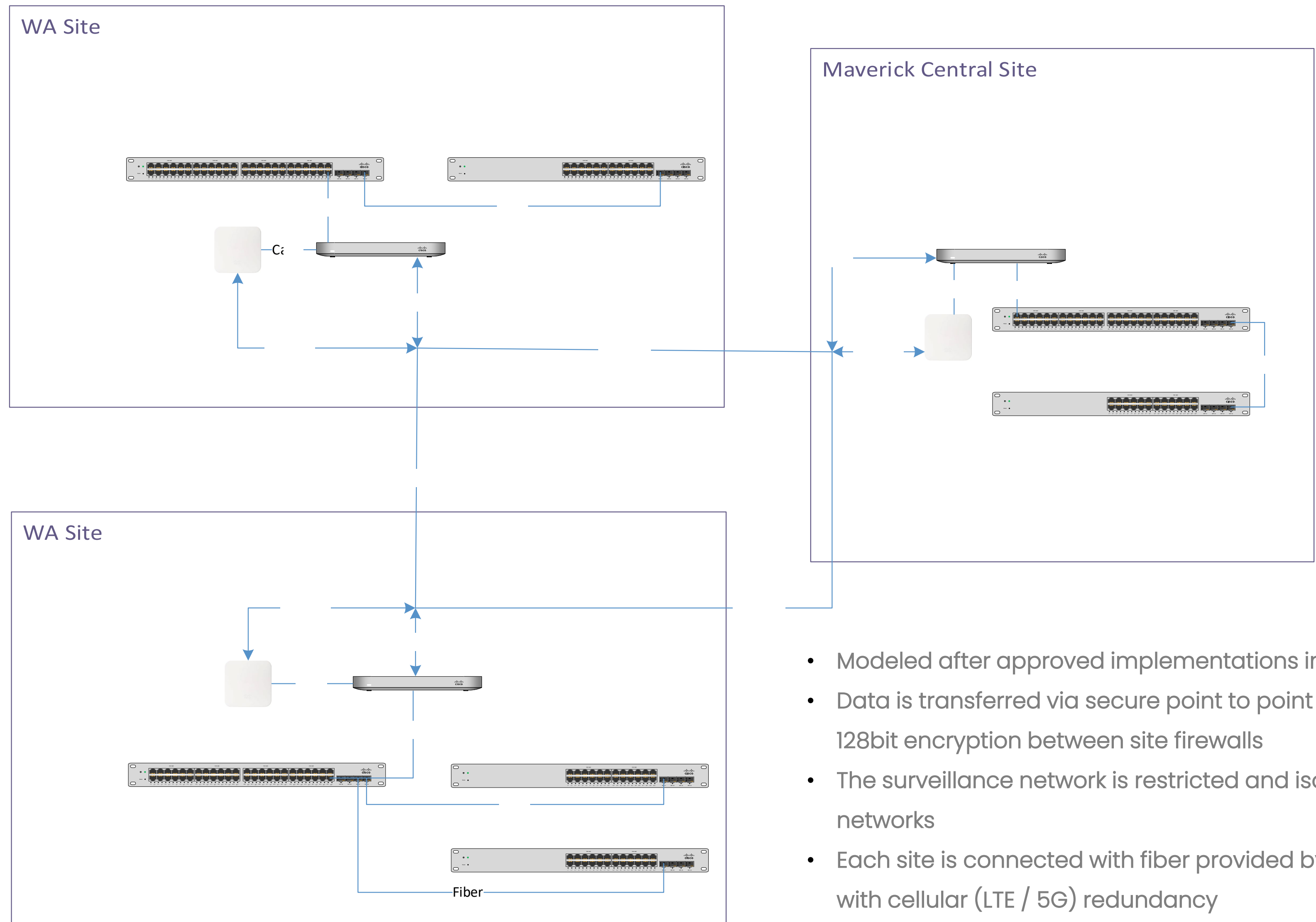
# Network Topology

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Proposed



# Centralized Networking Topology



- Modeled after approved implementations in NV and CO
- Data is transferred via secure point to point tunnels utilizing 128bit encryption between site firewalls
- The surveillance network is restricted and isolated from other networks
- Each site is connected with fiber provided by local Telcos with cellular (LTE / 5G) redundancy



**MAVERICK**  
SPORTS

THANK YOU

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### Rule Petition to Amend

WAC 230-15-140- Wagering limits for house-banked card games.  
WAC 230-15-135- Wagering limits for nonhouse-banked card games.

January 2022 – Commission Review  
November 2021 – Rule-Making Petition Received

**Tab 6: JANUARY 2022 Commission Meeting Agenda.**

**Statutory Authority 9.46.070**

#### Who Proposed the Rule Change?

Tim Merrill, Maverick Gaming from Kirkland, Washington

#### Background

Tim Merrill of Maverick Gaming in Kirkland, Washington is proposing to amend WAC 230-15-140, Wagering limits for house-banked card games, and WAC 230-15-135, Wagering limits for nonhouse-banked card games, to increase the single wager limit and bonus wager limit, and the maximum amount of a single wager on poker at Class F and house-banked card game licensees, from \$300 to \$500 on all tables with the ability to raise the limit to \$1,000 on 25% of the tables (rounded to the nearest whole number).

The petitioner feels this change is needed to keep the wagering limits for card rooms fair and consistent with competitors. The petitioner feels that raising the wager limits will allow the card room industry to continue to be competitive in the gambling market, which will allow the card rooms to keep jobs in local communities.

The petitioner feels the effect of this rule change would allow about one percent of customers in the card room industry to wager a larger amount.

Attachments:

- Petition
- WAC 230-15-140
- WAC 230-15-135

#### Policy Considerations

Pursuant to RCW 9.46.0282, the number of tables in a card room shall not exceed a total of fifteen separate tables, therefore, what the petitioner is asking for is that the wager limits be increased from \$300 to \$500 on all tables with the ability to raise limits to \$1,000 on up to 4 tables.

House-banked card games opened up in 1997 with wager limits set at \$25. Wager limits were increased in 2000 to \$100, in 2004 to \$200, and again in 2009 to the current limit of \$300.

In 2016, the Commission received a petition from the Recreational Gaming Association (RGA) requesting the Commission to increase wager limits to \$500 that would match the limits of Tribal gaming operations at that time. The Commission accepted the petition for further discussion, but the RGA eventually withdrew their request after hearing Commissioner concerns about increasing the wager limit and problem gambling.

Single wager limits for poker must not exceed \$40, however in 2012, Class F and house-banked card rooms were allowed to offer single wager limits not to exceed \$100 on Texas Hold'em. In 2016, single wager limits for Texas Hold'em were raised from \$40 to \$100 at Class F card rooms and house-banked card rooms raised single wager limits to \$300 on any poker game. Later that year, Class F card rooms raised single wager limits for any poker game from \$100 to \$300.

The Commission has received several petitions requesting either to amend or repeal single wager limits for poker. The most recent petition was received in August 2020, however, was withdrawn by the petitioner.

### **Staff Recommendation**

Under the requirements of the Administrative Procedure Act, the Commission must take action on a petition within 60 days of receiving it. Your options are:

- 1) Initiate rule-making proceedings by filing the rule as proposed for further discussion; or
- 2) Deny the petition in writing, a) stating the reasons for denial and specifically address the concerns stated in the petition, or b) where appropriate, indicate alternative means by which the agency will address the concerns raised in the petition.



## Laydon, Ashlie (GMB)

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**From:** no-reply@wsgc.wa.gov on behalf of WSGC Web <no.reply@wsgc.wa.gov>  
**Sent:** Thursday, November 11, 2021 10:50 AM  
**To:** Rules Coordinator (GMB)  
**Subject:** Request a Rule Change Submission from wsgc.wa.gov

External Email

Submitted on Thursday, November 11, 2021 - 10:49am Submitted by anonymous user: 50.237.113.162 Submitted values are:

Petitioner's Name: Tim Merrill  
Mailing Address: 12530 NE 144th ST  
City: Kirkland  
State: WA  
Zip Code: 98034  
Phone: 4252641050  
Email: TM@maverickgaming.com

Rule Petition Type: Amend Rule – I am requesting WSGC to change an existing rule.

==Amend Rule – I am requesting WSGC to change an existing rule.==

List rule number (WAC) if known: 230-15-140 Wagering limits for house-banked card games. (1) A single wager or a bonus wager for an odds-based payout must not e

I am requesting the following change: To increase the single wager limits and bonus wager limit from \$300 to \$500 on all tables with the ability to move to \$1,000 on up to 25% of tables (rounded to the nearest whole number).

This change is needed because: To keep the wagering limits for card rooms fair and consistent with competitors, this increase is necessary. Raising the wagering limits will allow the card room industry to continue to be competitive in the gambling market, which will allow the card rooms to keep jobs in the local communities.

The effect of this rule change will be: The effect of this rule will allow about one percent of customers in the card room industry to wager at a larger amount.

The results of this submission may be viewed at:

<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.wsgc.wa.gov%2Fnode%2F18%2Fsubmission%2F2929&data=04%7C01%7Crules.coordinator%40wsgc.wa.gov%7C0817732823b84c7f4ca008d9a544052f%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C637722533834578308%7CUnknown%7CTWFpbGZsb3d8eyJWljiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6IjEhaWwiLCJXVCi6Mn0%3D%7C1000&sd=1qEuorUH%2BykN7h2R29hBbNleCmpmqzOXB1%2F%2BJnvQP98%3D&reserved=0>

**Laydon, Ashlie (GMB)**

---

**From:** Phyllis Ermey <PHYLLIS.ERMEY@maverickgaming.com>  
**Sent:** Wednesday, January 5, 2022 2:57 PM  
**To:** Laydon, Ashlie (GMB)  
**Subject:** Wagering Limit Rule Change

External Email

Ashlie,

When I put the submission in for wagering limits I thought I put in the one for poker as well. I highlighted it below. I don't see it on the Commission Review. Can it be added?

**List Rule Number (WAC) if know**

**230-15-140 Wagering limits for house-banked card games.**

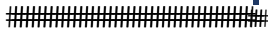
(1) A single wager or a bonus wager for an odds-based payout must not exceed three hundred dollars. (2) A player may make a single wager for each decision before the dealer deals or reveals additional cards. For Blackjack, the player may place an additional wager for doubling down or splitting pairs. (3) Bonus wagers for progressive jackpots must not exceed manufacturer's rules or limits listed in subsection (1) of this section.

**WAC 230-15-135 Wagering limits for non-house-banked card games.** Card room licensees must not exceed these wagering limits: (1) **Poker** - (a) There must be no more than five betting rounds in any one game; and (b) There must be no more than four wagers in any betting round, for example, the initial wager plus three raises; and (c) The maximum amount of a single wager must not exceed forty dollars; however, Class F and house-banked card game licensees may offer a single wager not to exceed three hundred dollars;

Thanks,



Phyllis Ermey, CFE  
Regulatory Compliance Director  
M: 509-307-3497  
O: 206-641-9792  
E: [Phyllis.Ermey@maverickgaming.com](mailto:Phyllis.Ermey@maverickgaming.com)



*"The house will collapse if we fail to communicate"*

## Laydon, Ashlie (GMB)

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**From:** Howejerry <howejerry@aol.com>  
**Sent:** Tuesday, January 11, 2022 6:08 PM  
**To:** Laydon, Ashlie (GMB)  
**Cc:** tm@maverickgaming.com; max@atomicbowl.com  
**Subject:** Wagering Limit Petition

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External Email

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Dear Ashlie:

Please consider this as an endorsement of the petition from Tim Merrill for a change to WAC 230-15-135 and WAC 230-15-140 to allow for increased wagering limits in House Banked and Class F Cardroom. This endorsement is on behalf of Jokers Casino, Richland; Nob Hill Casino, Yakima; Roxy's Casino, Seattle, Lancer Casino, Clarkston; Wild Goose Casino, Ellensburg; Clearwater Saloon & Casino, East Wenatchee and Club 48 Poker Room, Yakima. Also, please add Max Faulkner to the list of proponents that would like to speak in favor of the petition at the meeting on Thursday, January 13th. Thank you.

**WAC 230-15-140 Wagering limits for house-banked card games. (1)**

A single wager must not exceed three hundred dollars.

(2) A player may make a single wager for each decision before the dealer deals or reveals additional cards. Wagers must be placed on the table layout on an approved betting spot, except for:

(a) In Blackjack games, players may place an additional wager next to their original wager when doubling down or splitting pairs; or

(b) Tip wagers made on behalf of a dealer; or

(c) As authorized in approved card games rules.

[Statutory Authority: RCW 9.46.070. WSR 21-11-057, § 230-15-140, filed 5/14/21, effective 6/14/21; WSR 08-20-025 (Order 631), § 230-15-140, filed 9/19/08, effective 1/1/09; WSR 07-09-033 (Order 608), § 230-15-140, filed 4/10/07, effective 1/1/08.]

**WAC 230-15-135 Wagering limits for nonhouse-banked card games.**

Card room licensees must not exceed these wagering limits:

(1) **Poker** -

(a) There must be no more than five betting rounds in any one game; and

(b) There must be no more than four wagers in any betting round, for example, the initial wager plus three raises; and

(c) The maximum amount of a single wager must not exceed forty dollars; however, Class F and house-banked card game licensees may offer a single wager not to exceed three hundred dollars;

(2) **Games based on achieving a specific number of points** - Each point must not exceed five cents in value;

(3) **Ante** - No more than the maximum wager allowed for the first betting round for any game, except for Panguingue (Pan). The ante may, by house rule:

(a) Be made by one or more players, but the total ante may not exceed the maximum wager allowed for the first betting round; and

(b) Be used as part of a player's wager;

(4) **Panguingue (Pan)** - The maximum value of a chip must not exceed ten dollars. An ante must not exceed one chip. We prohibit doubling of conditions. Players going out may collect no more than two additional chips for going out from each participating player.

[Statutory Authority: RCW 9.46.070. WSR 18-05-029, § 230-15-135, filed 2/9/18, effective 7/1/18. Statutory Authority: RCW 9.46.070 and 9.46.0201. WSR 16-23-153, § 230-15-135, filed 11/22/16, effective 12/23/16; WSR 16-18-024, § 230-15-135, filed 8/26/16, effective 9/26/16. Statutory Authority: RCW 9.46.070 and 9.46.0282. WSR 12-21-048 (Order 680), § 230-15-135, filed 10/12/12, effective 1/1/13; WSR 09-21-013 (Order 658), § 230-15-135, filed 10/9/09, effective 11/9/09. Statutory Authority: RCW 9.46.070. WSR 09-09-056 (Order 642), § 230-15-135, filed 4/10/09, effective 7/1/09; WSR 07-21-116 (Order 617), § 230-15-135, filed 10/22/07, effective 1/1/08; WSR 07-09-033 (Order 608), § 230-15-135, filed 4/10/07, effective 1/1/08.]



**Rule Petition to Amend**  
Use of an iDROP kiosk.

**January 2022 – Commission Review**  
**November 2021 – Rule-Making Petition Received**

**Tab 7: JANUARY 2022 Commission Meeting Agenda.**

**Statutory Authority 9.46.070**

**Who Proposed the Rule Change?**

Tim Merrill, Maverick Gaming from Kirkland, Washington

**Background**

Tim Merrill of Maverick Gaming in Kirkland, Washington is proposing to amend a number of rules to allow for the use of ticket-in/ticket-out using the iDROP kiosk device in card room to purchase and redeem tickets for table games play. According to the petitioner, iDROP enables players to purchase chips directly at the live gaming table from the dealer and brings ticket-in/ticket-out to live gaming tables, thus allowing players move directly from live game to live game without having to go to the cage cashier. Players are able to cash out at any time on the live gaming table and receive their money in ticket form, paid out by the iDROP kiosk. The iDROP bill acceptor system allows for easy accounting and verification of all cash in and out at each live gaming table, transaction history can be viewed in real time in the event that a customer dispute arises, and decreases the threat of counterfeit bills because every bill is verified using the iDROP bill acceptor. The petitioner also feels that manipulation in the count room would become impossible.

The petitioner feels this change is needed because this change would allow card rooms the ability to validate and count the drop on live table games using real time data for efficient reporting of revenue. The petitioner feels there will be an increase in security because the funds will always be in secure boxes. The use of tickets will allow for a quick and secure count by having tickets to validate from data already collected at the table games. Lastly, the petitioner feels this will help combat the passing of counterfeit bills by using a ticket-in/ticket-out device on the table games to validate all bills for authenticity.

The petitioner feels the effect of this rule change would allow the use of tickets and kiosk system instead of only allowing the purchase of chips using cash and the redemption of chips at the cage.

If the petition is accepted, our card room and manufacturer rules will need to be amended and additional new rules will need to be adopted.

Attachments:

- Petition

**Policy Considerations**

Staff have the following policy concerns:

- While this equipment could reduce criminal behavior, such as the passing of counterfeit bills and theft, we are unsure how the use of iDROP will impact anti-money laundering efforts;
- Ability to maintain a closed system;
- Other impacts or changes use of this equipment would bring to the card room operation, such as count room procedures, accounting, elimination of the cage, etc.
- The security and integrity of the equipment; and
- Connectivity to the card room's accounting systems.

### **Staff Recommendation**

Under the requirements of the Administrative Procedure Act, the Commission must take action on a petition within 60 days of receiving it. Your options are:

- 1) Initiate rule-making proceedings by filing the rule as proposed for further discussion; or
- 2) Deny the petition in writing, a) stating the reasons for denial and specifically address the concerns stated in the petition, or b) where appropriate, indicate alternative means by which the agency will address the concerns raised in the petition.

Staff recommends accepting this petition and filing initial rulemaking with the understanding that the equipment proposed will need to be submitted and evaluated by Commission staff pursuant to WAC 230-17-192, Submission of electronic or mechanical gambling equipment during rule making, before staff can begin to finalize rules related to this petition.

## Laydon, Ashlie (GMB)

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**From:** no-reply@wsgc.wa.gov on behalf of WSGC Web <no.reply@wsgc.wa.gov>  
**Sent:** Thursday, November 11, 2021 11:42 AM  
**To:** Rules Coordinator (GMB)  
**Subject:** Request a Rule Change Submission from wsgc.wa.gov

External Email

Submitted on Thursday, November 11, 2021 - 11:41am Submitted by anonymous user: 50.237.113.162 Submitted values are:

Petitioner's Name: Tim Merrill  
Mailing Address: 12530 NE 144th ST  
City: Kirkland  
State: WA  
Zip Code: 98034  
Phone: 4252641050

Email: TM@maverickgaming.com

Rule Petition Type: Amend Rule – I am requesting WSGC to change an existing rule.

==Amend Rule – I am requesting WSGC to change an existing rule.==

List rule number (WAC) if known: WAC 230-15-553 Defining "cash equivalent., WAC 230-15-100 Providing cards and chips in card games., WAC 230-15-145 Making wagers

I am requesting the following change:

Allow the use of ticket in ticket out using the iDROP kiosk device, in card rooms, to purchase and redeem tickets for table games play.

iDROP enables players to purchase chips directly at the live gaming table from the dealer. It also brings ticket-in, ticket-out to live gaming tables. Thus, players can move directly from live game to live game without having to go to the cage cashier. Players can cash out anytime on the live gaming table and receive their money in ticket form – paid out by the iDROP.

Players can cash out their tickets at a kiosk at any time.

The iDROP is simple to use and it provides direct, real-time information on the drop to the casino. The iDROPS are particularly of benefit on tables where players buy in larger amounts.

The iDROP bill acceptor system allows for easy accounting and verification of all cash in and cash out at each live gaming table.

The transaction history can be viewed in real time in the event of any customer disputes.



30 bills or tickets can be inserted into the iDROP bill acceptor.

Manipulation in the count room becomes impossible.

The threat of counterfeit bills is minimal because every bill is verified using the iDROP bill acceptor.

This change is needed because: First, this change would allow the cardrooms the ability to validate and count the drop on live tables games using real time data for efficient reporting of revenue. There will be an increase in security because the funds will be always secure in boxes. The use of tickets will allow for a quick and secure count by having tickets to validate from data already collected at the table games. Lastly, this will help to combat the passing of counterfeit bills by using a TITO device on the table games to validate all bills for authenticity, count the bills and print a ticket.

The effect of this rule change will be: Allowing the use of tickets and kiosk system instead of only allowing the purchase of chips using cash and the redemption of chips at the cage.

The results of this submission may be viewed at:

<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.wsgc.wa.gov%2Fnode%2F18%2Fsubmission%2F2930&data=04%7C01%7Crules.coordinator%40wsgc.wa.gov%7Cdbacafa5e9fa4c02ebdc08d9a54b4c85%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C637722565115927667%7CUnknown%7CTWFpbGZsb3d8eyJWljiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6IjEhaWwiLCJXVCi6Mn0%3D%7C1000&sdata=jl%2B1QTihyCFNh9q5RmVx%2BSSZTzyXelosZ8JDB7wISPo%3D&reserved=0>



**MAVERICK**  
G A M I N G

Washington Table Ticket-In, Ticket-Out (TITO) Proposal

Jan 7, 2022



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**03** TRANSACTION FLOW  
DESCRIPTION

# OVERVIEW

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THE WHY





# Objective of Table Game Ticket-In, Ticket-Out (TITO)

## OVERVIEW:

Maverick Gaming proposes the ability to use barcoded tickets to buy in chips at the gaming tables, to issue barcoded tickets against chips, and to cash out barcoded tickets at a kiosk and cage.

## THE OBJECTIVE:

- ✓ Implement a new product at all locations that will eliminate the passing of counterfeit bills.
- ✓ Provide a control that will reduce the ability to launder money.
- ✓ Use of a secure bill validator stacker box to keep cash inserted into the bill acceptor protected.
- ✓ Provide full auditing of transactions at the tables.
- ✓ Eliminate guests carrying chips to cage for cash out and avoid guests walk out with chips.
- ✓ Improve operation efficiency to reduce frequency of fills and drops.

## THE SOLUTION

- The TITO device's secure bulk bill validator has a built-in counterfeit device that can scan multiple bills at once, detect any counterfeit bills and reject them.
- Enhance AML capability on unrated guests.
- Increase in security through funds stored stacked in TITO cash boxes.

# VIDEO DEMONSTRATION

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**CountR**

# TRANSACTION FLOW DESCRIPTION

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Proposed

# 3





# Transaction Flow Description

## Buy-In:

- When a player purchases chips with cash to a gaming table, the dealer stacks the bills into the TITO device for validation.
- The TITO device then validates the bills and rejects counterfeits. If the bills are validated, the dealer then issues the corresponding value in gaming chips to the player purchasing chips with cash.

## Ticket-In:

- When a player comes to a gaming table and presents a TITO barcoded ticket to the dealer, the dealer scans the ticket into the TITO device by way of the embedded barcode scanner.
- The TITO device then reads information from the ticket and then transmits this information to the Casino TITO system.
- The TITO system then validates the ticket. If the ticket is validated, the dealer then issues the corresponding value of the ticket in gaming chips to the person presenting the ticket.
- Gaming play then begins with the issued chips. If the ticket is not validated by the casino's TITO system, no chips will be issued to the person presenting the ticket.

## Ticket-Out:

- When a player has concluded wagering at the table, the dealer will then collect the players remaining chips, count them and then enter the value of the chips into TITO device via the 12 key keypad.
- After entering the value into TITO, a ticket will be printed via the internal TITO printer after validating the transaction through the TITO system.
- The motorized printer internal to TITO device will present a ticket to the dealer who will then present the ticket to the player.

## Ticket Redemption at Kiosk:

- TITO tickets can be accepted by a kiosk, when the voucher has been validated by the TITO system, currency is paid to the player.

## Anti-Money Laundering (AML) Risks:

- The AML Program will be revised to account for the risks related to the TITO redemption and issuance process.
- The TITO process provides better information regarding a player's activity in that it tracks the transactions and will facilitate reporting.
- Cash activity is minimalized.
- The TITO system and kiosks are configurable to require identification and information or prohibit specific cash transactions.



**MAVERICK**  
SPORTS

**THANK YOU**

---

Add Contact Info Here



**Sports Wagering Rule-Making**  
Sports Wagering Rules.

**January 2022 – Discussion & Possible Action**  
**December 2021 – Final Action**  
**November 2021 – Discussion**  
**October 2021 – Discussion & Possible Filing**  
**July 2021 – Discussion**  
**June 2021 – Discussion & Possible Filing**  
**July 2020 – Initiated Rule-Making**

**Tab 8: JANUARY 2022 Commission Meeting Agenda.** Statutory Authority RCW 9.46.070, RCW 9.46.210, RCW 9.46.240, RCW 9.46.0364, RCW 9.46.0368, RCW 9.46.037, RCW 9.46.038

**Who Proposed the Rule Change?**

Washington State Gambling Commission Staff

**Background**

**Bold = Changes made after December 2021 Commission Meeting.**

On March 25, 2020, Governor Jay Inslee signed House Bill 2638 that authorizes sports wagering for Class III tribal facilities under terms negotiated in tribal-state compacts. It also added or amended several criminal, regulatory, and licensing statutes in the Gambling Act and gives the Gambling Commission authority to adopt or amend any rules needed for the regulation of sports wagering.

At the July 2020 meeting, Commissioners initiated rule-making to adopt new rules and amend current rules to implement the new sports wagering law, including creating a new state regulatory structure to cover all aspects of sports wagering consistent with any new tribal-state wagering compact amendments.

In April and May 2021, the Commission reached a tentative sports wagering compact amendment agreement with fifteen Tribes. Of the fifteen Tribes, there are four different, but similar, sports wagering compact amendments that address the agency's five sports wagering pillars: (1) Licensing and Regulation; (2) Agency Funding; (3) Money Laundering and Criminal Enforcement; (4) Sport and Gambling Integrity; and (5) Responsible and Problem Gambling.

At the June 10, 2021 public meeting, Commissioners chose to file draft language for further discussion. Draft language was filed with the Office of the Code Reviser on June 23, 2021 and was published in the Washington State Register (WSR 21-13-165) on July 7, 2021 for further discussion.

At the July 8, 2021 public meeting, Commission staff was directed to provide Commissioners rule options for consideration at our July 28, 2021 special meeting. Staff provided Commissioners with two options: Option A, which included approving just the rules that pertained to licensing and regulation, and licensing fees for final action at the July 28, 2021 special meeting, or Option B, which included approving all the draft rules, including chapter 230-19 WAC. Based on comments and concerns received, especially concerns centered on proposed rules in chapter 230-19 WAC, Commissioners chose to approve Option A at the July 28, 2021 special meeting and directed staff to continue to work with stakeholders on chapter 230-19 WAC with the intent of bringing draft language back at the October 14, 2021 public meeting.

At the October 2021 public meeting, Commissioners chose to file draft language for further discussion. Language was filed with the Office of the Code Reviser on October 19, 2021 to be published in the Washington State Register (issue 21-21-094) and was posted on our agency website.

**At the December 2021 public meeting, Commissioners chose to file changes to the proposed rules for further discussion based on comments from tribal partners and vendor stakeholders. Language was filed with the Office of the Code Reviser on December 22, 2021, to be published in the Washington State Register (issue 22-01-213).**

Attachments:

- **Recommended Language**
  - **WAC 230-03-085 (AMENDED)**
  - **Withdrawal of proposed Chapter 230-19 WAC (Strike-through)**
- **Filed Language (including changes filed for further discussion)**
  - **WAC 230-19-001 (NEW)**
  - WAC 230-19-005 (NEW)
  - WAC 230-19-010 (NEW)
  - WAC 230-19-015 (NEW)
  - WAC 230-19-020 (NEW)
  - WAC 230-19-025 (NEW)
  - WAC 230-19-030 (NEW)
  - WAC 230-19-035 (NEW)
  - WAC 230-19-040 (NEW)
- **Stakeholder Feedback**

### **Stakeholder Outreach and Feedback**

Proposed sports wagering rules were distributed to stakeholders and Tribal leaders and representatives on May 27, 2021. A deadline of June 7, 2021 was given for comments and suggested edits to be reviewed by staff for our June 10, 2021 public meeting. Comments received before the June 10, 2021 meeting were reviewed by staff before filing the proposed rules. Changes related to some comments to licensing provisions, contract reviews, accounting records, substantial interest holders, sports wagering integrity, integrity monitoring provider, sports wagering systems, and sports wagering accounts were incorporated in the rules filed with the Code Reviser.

However, some comments and proposed changes were significant policy changes that could not be incorporated without Commissioner approval.

As of July 27, 2021, feedback from the following stakeholders was received:

- American Wagering, Inc., dba William Hill
- DraftKings Inc. (addt'l 7/27/21 letter)
- BetMGM
- Cowlitz Tribal Gaming Authority
- FanDuel
- Rush Street Interactive
- Sightline Payments
- Spokane Tribal Business Council
- Sportradar

- Suquamish Tribe
- Tulalip Tribes
- Washington Indian Gaming Association

Revised draft language was sent out to stakeholders on September 3, 2021 for review with feedback requested by September 15, 2021. Stakeholder feedback received thus far is as follows:

- Staff met with GeoComply, at their request, on September 9, 2021 who expressed concerns that a number of the sections had been struck, the GLI requirements had been removed, and were seeking clarification on operational requirements.
- A meeting was held with Tribal leaders and representatives on September 15, 2021 to discuss the proposed rules. The general feedback received was that the proposed rules were too broad and that the tribal-state sports wagering compact amendments are the governing authority over sports wagering, and therefore rules are not necessary. Suggested that if language is necessary, then one rule would be sufficient to specify that sports wagering vendors may facilitate sports wagering only as authorized by and compliant with tribal gaming compact and/or internal controls.
- Written feedback was received from FanDuel who expressed concerns over the timeliness of unusual and suspicious reporting requirements.
- A stakeholder meeting was held on September 22, 2021 to discuss the draft rules with those stakeholders who have a vested interest in sports wagering, primarily sports wagering vendors. Feedback received at this meeting was related to the removal of GLI requirements, and clarification of the timeline for these rules.

Staff inserted language, mirroring compact, regarding the need for sports wagering systems to meet or exceed GLI-33 standards back into chapter 230-19 WAC to provide additional clarity to vendors based on feedback that was received from stakeholders. Timelines for reporting unusual and suspicious wagering activity are required by compact as well.

Staff considered the rule language suggested during the meeting with tribal leaders and representatives to amend the draft rule language to only refer to the compacts and/or the internal controls, however staff chose not to implement this language for a number of reasons. These rules are designed to work in combination with each Tribal Gaming Agency's regulatory authority to determine suitability for continued licensing of sports wagering vendors and bridge the gaps not covered in tribal-state sports wagering compacts, such as areas where compacts don't outline specific sports wagering vendor requirements, areas where more detail is necessary for enforcement, and also to address non-tribal vendor related activities where information sharing may be necessary. Further, internal controls are not publicly accessible standards, which are necessary for rules under the Administrative Procedure Act.

Feedback was received on October 28, 2021 from W. Ron Allen, Tribal Chair/CEO of Jamestown S'Klallam Tribe on behalf of Washington Indian Gaming Association (attached).

**On December 6, 2021, feedback was received from W. Ron Allen, Tribal Chair/CEO of Jamestown S'Klallam Tribe on behalf of the Washington Indian Gaming Association (attached).**

**On January 6 and 7, 2022, we met with tribal partners to get feedback on the proposed rules. The feedback received suggested:**

- **Removing the proposed Chapter 230-19 WAC, and**

- **Adding a single statement to WAC 230-03-085 that sports wagering vendors must follow the applicable tribal-state compact provisions and tribal laws related to sports wagering.**

**Staff Recommendation**

**Staff recommends discussion and possible action be taken on proposed changes to:**

- **WAC 230-03-085, and**
- **Withdrawal of proposed Chapter 230-19 WAC.**

## **Recommended Language**

**WAC 230-03-085 Denying, suspending, or revoking an application, license or permit.** We may deny, suspend, or revoke any application, license or permit, when the applicant, licensee, or anyone holding a substantial interest in the applicant's or licensee's business or organization:

(1) Commits any act that constitutes grounds for denying, suspending, or revoking licenses or permits under RCW 9.46.075; or

(2) Has been convicted of, or forfeited bond on a charge of, or pleaded guilty to a misdemeanor or felony crime involving physical harm to individuals. "Physical harm to individuals" includes any form of criminal assault, any crime involving a threat of physical harm against another person, or any crime involving an intention to inflict physical harm on another person; or

(3) Has demonstrated willful disregard for complying with ordinances, statutes, administrative rules, or court orders, whether at the local, state, or federal level; or

(4) Has failed to pay gambling taxes to local taxing authorities and the local taxing authority has petitioned us to take action; or

(5) Has failed to pay a quarterly license fee or submit a quarterly license report or has failed to pay a late fee assessed as a result of failure to pay a quarterly license fee or submit a quarterly license report; or

(6) Is serving a period of probation or community supervision imposed as a sentence for any juvenile, misdemeanor, or felony criminal offense, whether or not the offense is covered under RCW 9.46.075(4); or

(7) Is the subject of an outstanding gross misdemeanor or felony arrest warrant; or

(8) Fails to provide us with any information required under commission rules within the time required, or, if the rule establishes no time limit, within (~~thirty~~) 30 days after receiving a written request from us; or

(9) Poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities, as demonstrated by:

(a) Prior activities; or

(b) Criminal record; or

(c) Reputation; or

(d) Habits; or

(e) Associations; or

(10) Knowingly provides or provided goods or services to an entity that illegally operates gambling activities; or

(11) Has failed to comply with all applicable tribal laws, or the provisions of the applicable tribal-state compact and its appendices related to sports wagering, that are in effect at the time of the violation, and as posted on the National Indian Gaming Commission's website at [www.nigc.gov](http://www.nigc.gov) (for tribal laws) or our agency website at [www.wsgc.wa.gov](http://www.wsgc.wa.gov) (for compacts and appendices).



~~Chapter 230-19 WAC~~  
~~SPORTS WAGERING~~

~~NEW SECTION~~

~~**WAC 230-19-001 Purpose.** Tribes in Washington state have more than 20 years' experience with, and a proven track record of, successfully operating gaming in accordance with tribal-state compacts. Together, we and the tribes have a proven track record of successful regulation of gaming in accordance with respective tribal-state compacts.~~

~~Therefore, it is our intent that these rules reflect and honor the agreements in tribal-state compact. To the extent any rule in this chapter conflicts with the tribal-state compact of the tribe where the sports wagering is taking place, the sports wagering vendor must follow the tribal-state compact in furtherance thereof.~~

~~{}~~

~~NEW SECTION~~

~~**WAC 230-19-005 Sports wagering definitions.** Definitions for sports wagering used in the chapter are:~~

~~(1) "Integrity monitoring provider" means an independent organization licensed to receive and analyze data and reports of unusual wagering activity from a sports wagering operation for the purpose of assisting in identifying suspicious wagering activity.~~

~~(2) "Mobile device" means a portable electronic equipment used in mobile sports wagering, for example a smartphone.~~

~~(3) "Mobile sports wagering" means any sports wagering on a platform that is deployed and accessed through the internet or an application installed on a mobile device.~~

~~(4) "Sports wagering kiosk" means a self-service automated device used by patrons to make wagers on sporting events, obtain wagering information, redeem sports wagering vouchers and wagering tickets, and any other automated functions used for sports wagering.~~

~~(5) "Sports wagering system" means all equipment, hardware, data networks, communications technology, and software used in a sports wagering operation and that directly affect the wagering and results of sports wagering including, but not limited to:~~

~~(a) Interactive components, including all associated equipment and software that comprise the sports wagering platform used by a sports wagering operation or for online or mobile sports wagering;~~

~~(b) Sports wagering kiosks; and~~

~~(c) Ticket or voucher redemption devices.~~

~~This does not include a mobile device owned and used by a patron to place a sports wager.~~

~~(6) "Sports wagering vendor" means all three sports wagering license types: Major, mid-level, and ancillary identified in this chapter unless identified otherwise in these rules.~~

~~(7) "Sports wagering vendor representative" means all three sports wagering vendor representative types: Major, mid-level, and ancillary identified in this chapter unless identified otherwise in these rules.~~

~~(8) "Suspicious wagering activity" means unusual wagering activity that cannot be explained and is indicative of illegal activity including, but not limited to: Money laundering, match fixing, manipulation of an event, misuse of inside information, or other activity that is prohibited by federal, state, tribal, or local law.~~

~~(9) "Unusual wagering activity" means abnormal wagering activity or pattern of behavior exhibited by one or more patrons and deemed by the sports wagering operation as a potential indicator of suspicious activity. Abnormal wagering activity may include, but is not limited to, the size of a person's wager or increased wagering volume on a~~

~~particular event or wager type and/or other deviations readily apparent based on prior wagering history.~~

~~{}~~

NEW SECTION

~~**WAC 230-19-010 Sports wagering vendors must ensure sports wagering vendor representatives are licensed.** (1) Sports wagering vendors must ensure all sports wagering vendor representatives are licensed as required by rule.~~

~~(2) Sports wagering vendors must take all measures necessary to prevent an unlicensed sports wagering vendor representative from working in our state.~~

~~{}~~

NEW SECTION

~~**WAC 230-19-015 Accounting records for sports wagering vendors.** Sports wagering vendors must keep and maintain a complete set of records consistent with those kept by manufacturers and distributors as required by WAC 230-16-185 for their licensed activity in this state.~~

{}

NEW SECTION

~~WAC 230-19-020 Sales records for sports wagering vendors.~~

~~Sports wagering vendors must keep the following:~~

~~(1) **Sales invoices and credit memos** — Document each sale of equipment or services, any return or refund, or any other type of transfer of sports wagering equipment in the state, with a standard sales invoice and credit memo. These records must include:~~

~~(a) The date of sale. The date of delivery must also be entered if different from the date of sale; and~~

~~(b) The customer's name and complete business address; and~~

~~(c) A description of each item sold, or service provided; and~~

~~(d) The quantity and price of each item; and~~

~~(e) The gross amount of each sale, including all discount terms and the total dollar amount of any discount.~~

~~(2) **Sales journal** — Keep a monthly sales journal for transactions in the state containing, at least:~~

~~(a) Each date of sale; and~~

~~(b) Each sale invoice number; and~~

~~(c) The name of the person paying; and~~

~~(d) Sale categorized by the sports wagering goods, equipment, or services sold; and~~

~~(e) The total amount of each invoice.~~

{}

NEW SECTION

~~**WAC 230-19-025 Integrity monitoring provider requirements.**~~

~~Integrity monitoring providers must:~~

~~(1) Immediately notify the appropriate tribal gaming agency in the event the unusual or suspicious activity involves a tribal operator in Washington state; and~~

~~(2) Immediately notify us, in the format we require, when suspicious wagering activity is identified, including a previously reported unusual wagering activity that rises to the level of suspicious wagering activity; and~~

~~(3) Immediately notify all other integrity monitoring providers, sports wagering operators, and all other agencies or organizations as directed by us, on any previously reported unusual wagering activity it finds rises to the level of suspicious wagering activity; and~~

~~(4) Have systems to receive and analyze sports wagering data and information to be able to monitor, identify, and report on unusual or suspicious wagering activity; and~~

~~(5) Provide us access to required sports wagering information to assist us with integrity monitoring and investigations.~~

~~{}~~

~~NEW SECTION~~

~~**WAC 230-19-030 Sports wagering system requirements.** (1) Sports wagering vendors must be licensed before the sale or delivery of a sports wagering system(s) to be used in our state.~~

~~(2) All sports wagering systems must meet or exceed Gaming Laboratory International GLI-33: Standards for Event Wagering Systems, including appendices and amendments, or equivalent alternative standards agreed to in accordance with tribal-state sports wagering compact amendment and must be approved by the tribal gaming agency where the system is to be installed and operated.~~

~~{}~~

~~NEW SECTION~~

~~WAC 230-19-035 Geofence and geolocation requirements. Mobile~~

~~sports wagering must be contained to an approved tribal gaming facility premises as approved pursuant to each tribal-state sports wagering compact amendment. Sports wagering vendors will have geofence and geolocation compliance and monitoring controls to ensure wagers cannot be placed in violation of federal, state, or tribal laws and rules.~~

~~{}~~

NEW SECTION

~~WAC 230-19-040 Records retention for sports wagering vendors.~~

~~Where applicable, sports wagering vendors must retain the following records:~~

~~(1) For at least five years:~~

~~(a) Suspicious wagering activity; and~~

~~(b) Unusual wagering activity.~~

~~(2) For at least three years at the end of their fiscal year:~~

~~(a) All required accounting records;~~

~~(b) Sales invoices;~~

~~(c) Sales journals; and~~



~~(d) Credit memos.~~

~~(3) Data related to odds and line setting must be kept for at least two years.~~

{}

**Language Filed on December 22, 2021**  
**(WSR 22-01-213)**

**Chapter 230-19 WAC**  
**SPORTS WAGERING**

NEW SECTION

**WAC 230-19-001 Purpose.** Tribes in Washington state have more than 20 years' experience with, and a proven track record of, successfully operating gaming in accordance with tribal-state compacts. Together, we and the tribes have a proven track record of successful regulation of gaming in accordance with respective tribal-state compacts.

Therefore, it is our intent that these rules reflect and honor the agreements in tribal-state compact. To the extent any rule in this chapter conflicts with the tribal-state compact of the tribe where the sports wagering is taking place, the sports wagering vendor must follow the tribal-state compact in furtherance thereof.

NEW SECTION

**WAC 230-19-005 Sports wagering definitions.** Definitions for sports wagering used in the chapter are:

(1) "Integrity monitoring provider" means an independent organization licensed to receive and analyze data and reports of unusual wagering activity from a sports wagering operation for the purpose of assisting in identifying suspicious wagering activity.

(2) "Mobile device" means a portable electronic equipment used in mobile sports wagering, for example a smartphone.

(3) "Mobile sports wagering" means any sports wagering on a platform that is deployed and accessed through the internet or an application installed on a mobile device.

(4) "Sports wagering kiosk" means a self-service automated device used by patrons to make wagers on sporting events, obtain wagering information, redeem sports wagering vouchers and wagering tickets, and any other automated functions used for sports wagering.

(5) "Sports wagering system" means all equipment, hardware, data networks, communications technology, and software used in a sports wagering operation and that directly affect the wagering and results of sports wagering including, but not limited to:

(a) Interactive components, including all associated equipment and software that comprise the sports wagering platform used by a sports wagering operation or for online or mobile sports wagering;

(b) Sports wagering kiosks; and

(c) Ticket or voucher redemption devices.

This does not include a mobile device owned and used by a patron to place a sports wager.

(6) "Sports wagering vendor" means all three sports wagering license types: Major, mid-level, and ancillary identified in this chapter unless identified otherwise in these rules.

(7) "Sports wagering vendor representative" means all three sports wagering vendor representative types: Major, mid-level, and an-

cillary identified in this chapter unless identified otherwise in these rules.

(8) "Suspicious wagering activity" means unusual wagering activity that cannot be explained and is indicative of illegal activity including, but not limited to: Money laundering, match fixing, manipulation of an event, misuse of inside information, or other activity that is prohibited by federal, state, tribal, or local law.

(9) "Unusual wagering activity" means abnormal wagering activity or pattern of behavior exhibited by one or more patrons and deemed by the sports wagering operation as a potential indicator of suspicious activity. Abnormal wagering activity may include, but is not limited to, the size of a person's wager or increased wagering volume on a particular event or wager type and/or other deviations readily apparent based on prior wagering history.

#### NEW SECTION

**WAC 230-19-010 Sports wagering vendors must ensure sports wagering vendor representatives are licensed.** (1) Sports wagering vendors must ensure all sports wagering vendor representatives are licensed as required by rule.

(2) Sports wagering vendors must take all measures necessary to prevent an unlicensed sports wagering vendor representative from working in our state.

#### NEW SECTION

**WAC 230-19-015 Accounting records for sports wagering vendors.** Sports wagering vendors must keep and maintain a complete set of records consistent with those kept by manufacturers and distributors as required by WAC 230-16-185 for their licensed activity in this state.

#### NEW SECTION

**WAC 230-19-020 Sales records for sports wagering vendors.** Sports wagering vendors must keep the following:

(1) **Sales invoices and credit memos** - Document each sale of equipment or services, any return or refund, or any other type of transfer of sports wagering equipment in the state, with a standard sales invoice and credit memo. These records must include:

(a) The date of sale. The date of delivery must also be entered if different from the date of sale; and

(b) The customer's name and complete business address; and

(c) A description of each item sold, or service provided; and

(d) The quantity and price of each item; and

(e) The gross amount of each sale, including all discount terms and the total dollar amount of any discount.

- (2) **Sales journal** - Keep a monthly sales journal for transactions in the state containing, at least:
- (a) Each date of sale; and
  - (b) Each sale invoice number; and
  - (c) The name of the person paying; and
  - (d) Sale categorized by the sports wagering goods, equipment, or services sold; and
  - (e) The total amount of each invoice.

NEW SECTION

**WAC 230-19-025 Integrity monitoring provider requirements.** Integrity monitoring providers must:

- (1) Immediately notify the appropriate tribal gaming agency in the event the unusual or suspicious activity involves a tribal operator in Washington state; and
- (2) Immediately notify us, in the format we require, when suspicious wagering activity is identified, including a previously reported unusual wagering activity that rises to the level of suspicious wagering activity; and
- (3) Immediately notify all other integrity monitoring providers, sports wagering operators, and all other agencies or organizations as directed by us, on any previously reported unusual wagering activity it finds rises to the level of suspicious wagering activity; and
- (4) Have systems to receive and analyze sports wagering data and information to be able to monitor, identify, and report on unusual or suspicious wagering activity; and
- (5) Provide us access to required sports wagering information to assist us with integrity monitoring and investigations.

NEW SECTION

**WAC 230-19-030 Sports wagering system requirements.** (1) Sports wagering vendors must be licensed before the sale or delivery of a sports wagering system(s) to be used in our state.

- (2) All sports wagering systems must meet or exceed Gaming Laboratory International GLI-33: Standards for Event Wagering Systems, including appendices and amendments, or equivalent alternative standards agreed to in accordance with tribal-state sports wagering compact amendment and must be approved by the tribal gaming agency where the system is to be installed and operated.

NEW SECTION

**WAC 230-19-035 Geofence and geolocation requirements.** Mobile sports wagering must be contained to an approved tribal gaming facility premises as approved pursuant to each tribal-state sports wagering compact amendment. Sports wagering vendors will have geofence and geo-

location compliance and monitoring controls to ensure wagers cannot be placed in violation of federal, state, or tribal laws and rules.

NEW SECTION

**WAC 230-19-040 Records retention for sports wagering vendors.**

Where applicable, sports wagering vendors must retain the following records:

- (1) For at least five years:
  - (a) Suspicious wagering activity; and
  - (b) Unusual wagering activity.
- (2) For at least three years at the end of their fiscal year:
  - (a) All required accounting records;
  - (b) Sales invoices;
  - (c) Sales journals; and
  - (d) Credit memos.
- (3) Data related to odds and line setting must be kept for at least two years.

**Stakeholder Feedback**  
**(Received since December 6, 2021)**

Via Electronic Mail

January 11, 2022

Ashlie Laydon  
Rules Coordinator, Legal and Records Division  
Washington State Gambling Commission  
P.O. Box 42400  
Olympia, WA 98504-2400

Dear Ashlie,

On behalf of IGT, thank you for the opportunity to provide feedback regarding the draft sports wagering language for further discussion received on December 27, 2021. IGT is supportive of the proposed language, and we seek consideration for the following language change below:

**WAC 230-19-015 Accounting records for sports wagering vendors** states that sports wagering vendors must maintain records consistent with those maintained by manufacturers and distributors as required by WAC 230-16-185.

**WAC 230-16-185 Accounting records for manufacturers and distributors (3)(d) Bank reconciliation** requires the manufacturer or distributor to compare the bank and the book balances and resolve any differences. We suggest the following language to allow a margin for immaterial variances.

**WAC 230-16-185 Accounting records for manufacturers and distributors**

(3) Keep:

(d) Bank reconciliation - Manufacturers and distributors must reconcile their accounts each month. "Reconcile" means the manufacturer or distributor must compare the two balances, resolve any material differences, and document the comparison and the differences in writing; and

Thank you again for the opportunity to comment and please contact me directly should you wish to discuss.

Sincerely,



Matthew Evenson  
IGT Washington Regional Compliance Manager  
6355 S. Buffalo Drive  
Las Vegas, NV 89113  
[Matthew.Evenson@igt.com](mailto:Matthew.Evenson@igt.com)  
[www.igt.com](http://www.igt.com)



## Laydon, Ashlie (GMB)

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**From:** Laydon, Ashlie (GMB)  
**Sent:** Wednesday, January 12, 2022 8:27 AM  
**To:** Kevin Cochran  
**Subject:** RE: Input on sports wagering draft rules  
**Attachments:** OTS-3568.1 For Filing.pdf

Hello Kevin,

There will be an opportunity to discuss the rule language sent out on 12/27 (OTS-3116.8), however, based on feedback received regarding that language, the recommendation from staff will be to withdraw that language and file the language that is attached for further discussion.

I hope that clarifies it. Please feel free to contact me if you have any further questions.

Thank you,

Ashlie Laydon

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**From:** Kevin Cochran <kcochran@draftkings.com>  
**Sent:** Wednesday, January 12, 2022 7:19 AM  
**To:** Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>  
**Subject:** RE: Input on sports wagering draft rules

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### External Email

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Hey Ashlie,

Happy New Year and I hope all is well!

I just want to confirm I am understanding what the recommended actions are. To clarify, the language sent around on 12/27 (OTS-3116.8) will no longer be up for discussion during the Commission's meeting this week, and instead there will be a recommendation to withdraw those rules?

Thanks

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**From:** Laydon, Ashlie (GMB) <[ashlie.laydon@wsgc.wa.gov](mailto:ashlie.laydon@wsgc.wa.gov)>  
**Sent:** Monday, January 10, 2022 3:55 PM  
**Cc:** Teal, Adam (GMB) <[adam.teal@wsgc.wa.gov](mailto:adam.teal@wsgc.wa.gov)>; Rancour, Michelle (GMB) <[michelle.rancour@wsgc.wa.gov](mailto:michelle.rancour@wsgc.wa.gov)>  
**Subject:** [EXTERNAL] RE: Input on sports wagering draft rules

Good afternoon,

Based on feedback received, Gambling Commission staff is recommending discussion and possible action be taken by Commissioners at their January 13, 2022 public meeting (this Thursday) on the attached proposed language.

Recommended action includes:

- Filing proposed changes to WAC 230-03-085, Denying, suspending, or revoking an application, license or permit (attached), with the Office of the Code Reviser to be published in the Washington State Register for further discussion. If this action is taken, the language would be published in the February 2, 2022 issue, initiating the official 20-day public comment period, and
- Withdrawing chapter 230-19 WAC in its entirety (also attached; OTS-3116.8).

You may submit feedback on the proposed changes in the following ways:

- Provide public comment at the January 13<sup>th</sup> Commission meeting (more information on those can be found [here](#)),
- Attend and provide input at a stakeholder meeting on January 18, 2022 (details can be found below),
- Submit public comment through our [website](#), and/or
- Submit written feedback to me directly at [ashlie.laydon@wsgc.wa.gov](mailto:ashlie.laydon@wsgc.wa.gov).

The Gambling Commission thanks you for your ongoing participation in this rulemaking process. If you have any questions, feel free to contact me via email at [ashlie.laydon@wsgc.wa.gov](mailto:ashlie.laydon@wsgc.wa.gov).

Stakeholder meeting details:

**January 18, 2022 at 2pm (PST)**

**Microsoft Teams meeting**

**Join on your computer or mobile app**

[Click here to join the meeting](#)

**Or call in (audio only)**

[+1 360-726-3322,,490135487#](tel:+13607263322,490135487#) United States, Seattle

Phone Conference ID: 490 135 487#

[Find a local number](#) | [Reset PIN](#)

[Learn More](#) | [Meeting options](#)

Thank you,

**Ashlie Laydon**

Rules Coordinator | Legal and Records Division

Washington State Gambling Commission

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

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



Washington State  
**GAMBLING**  
COMMISSION

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



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**From:** Laydon, Ashlie (GMB)  
**Sent:** Monday, December 27, 2021 2:10 PM  
**Cc:** Teal, Adam (GMB) <[adam.teal@wsgc.wa.gov](mailto:adam.teal@wsgc.wa.gov)>  
**Subject:** Input on sports wagering draft rules

Happy holidays!

At their December 7<sup>th</sup> special meeting, Commissioners chose to refile draft sports wagering language for further discussion. Draft language (attached) was filed with the Office of the Code Reviser on December 22, 2021 to be published in the Washington State Register, issue 22-01-213, and contains several proposed changes made based on comments and feedback received from tribal partners and vendor stakeholders.

These rules will be up for discussion only at the January 13, 2022 public meeting. Commissioners may take final action on them at their February 10, 2022 public meeting.

You may submit feedback on the proposed rules in the following ways:

- Attend and provide input at a stakeholder meeting on January 18, 2022 (details can be found below),
- Provide public comment at either the January 13<sup>th</sup> or February 10<sup>th</sup> public meeting (more information on those can be found [here](#)),
- Submit public comment through our [website](#), and/or
- Submit written feedback to me directly at [ashlie.laydon@wsgc.wa.gov](mailto:ashlie.laydon@wsgc.wa.gov).

The Gambling Commission thanks you for your ongoing participation in this rulemaking process. If you have any questions, feel free to contact me via email at [ashlie.laydon@wsgc.wa.gov](mailto:ashlie.laydon@wsgc.wa.gov).

Stakeholder meeting details:

**January 18, 2022 at 2pm (PST)**

Microsoft Teams meeting

**Join on your computer or mobile app**

[Click here to join the meeting](#)

**Or call in (audio only)**

[+1 360-726-3322,490135487#](tel:+13607263322490135487) United States, Seattle

Phone Conference ID: 490 135 487#

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Thank you,

**Ashlie Laydon**

Rules Coordinator | Legal and Records Division

Washington State Gambling Commission

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

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



Washington State  
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December 6, 2021

Bud Sizemore, Chair  
Tina Griffin, Interim Director  
Washington State Gambling Commission  
P.O. Box 42400  
Olympia, WA 98504

Subject: Additional comments on proposed WAC 230-19

Dear Bud and Tina:

On behalf of the Washington Indian Gaming Association (WIGA), I write today to offer feedback, yet again, on the revised draft sports wagering rules. As you know, we have discussed this matter extensively. Between WIGA's prior two letters (dated June 18, 2021 and October 27, 2021) and our Government-to-Government meetings, we have made our position known: the tribes believe that sports wagering rules that touch on the issue of operations are appropriately left to the compacts, not state regulations.

We do appreciate the efforts made by your staff to address our concerns and we acknowledge that each time we receive a new draft, the rules have improved incrementally. However, as previously shared with you, we believe that these rules are unnecessary—as proven by the fact that multiple tribes are now operating a sports book without them—and inconsistent with the tribal compacts already negotiated between the WSGC and the tribes. This inconsistency is apparent as you try to reconcile differences between the various “model” compacts (Tulalip, Kalispel, and Suquamish), resulting in definitions that do not precisely track any of them. This simply illustrates the very point we have been making all along: our vendors can and must follow the compacts and rules of whichever tribe they are providing services to.

Nonetheless, if you are unable or unwilling to drop the rules altogether, please add one additional rule:

**WAC 230-19-045 Inconsistency with tribal compacts.** To the extent any rule in this chapter conflicts with the compact of the tribe where the sports wagering is taking place, the sports wagering vendor must follow the compact and tribal regulations in furtherance thereof.

Please do not hesitate to reach out to me with any questions or concerns.

Sincerely,

A handwritten signature in black ink that reads "W. Ron Allen". The signature is written in a cursive style with a large, stylized "W" and "A".

W. Ron Allen  
Tribal Chair/CEO, Jamestown S'Klallam Tribe  
Chairman, Washington Indian Gaming Association

Cc: Julia Patterson, Vice-Chair, WSGC  
Alicia Levy, Commissioner, WSGC  
Kristine Reeves, Commissioner, WSGC  
Sarah Lawson, Commissioner, WSGC  
Julie Lies, Tribal Liaison, WSGC  
Ashlie Laydon, Rules Coordinator, WSGC  
Rebecca George, Executive Director, WIGA

## Laydon, Ashlie (GMB)

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**From:** no-reply@wsgc.wa.gov on behalf of WSGC Web <no.reply@wsgc.wa.gov>  
**Sent:** Monday, December 6, 2021 4:09 PM  
**To:** Rules Coordinator (GMB)  
**Subject:** Request for Public Comment Submission from wsgc.wa.gov

External Email

Submitted on Monday, December 6, 2021 - 4:06pm Submitted by anonymous user: 24.18.162.50 Submitted values are:

Select a Topic: Staff-Initiated Rule Change: Sports wagering

Name: Paula Scholz

Organization: none

Comments:

The new sports betting rules are welcome, but there need to be changes, to wit:

1. Enable online or phone app wagering like BetMGM. Do you know what a pain it is to drive to a Tribal casino every time you want to make a sports bet? They are far away and the weather is bad and it wastes gasoline. You should approve online wagering immediately, especially before baseball season when there are games every day. The current rules just help the unlawful offshore books. Convenience is everything.
2. Speaking of online wagering, it needs to be approved for the whole state ASAP. This is the 21st century and Washington State is still in the dark ages here. There is a pandemic on, didn't you know? I don't want to travel to a tribal casino.
3. You need to make sports and online wagering available to more than just the Tribal casinos. One might think you are in their pocket. The card rooms and national operators need to be approved for this business. Competition is good.

Paula Scholz  
Bellevue, WA USA

The results of this submission may be viewed at:

<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwsgc.wa.gov%2Fnode%2F19%2Fsubmission%2F3056&data=04%7C01%7Crules.coordinator%40wsgc.wa.gov%7C2f53d314745540ab96b208d9b915c763%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C637744325458491683%7CUnknown%7CTWFpbGZsb3d8eyJWljojMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTil6k1haWwiLCJXVCi6Mn0%3D%7C3000&sdata=II%2BoRAXFX6ojQC1AUEuvtybKuHfU30006OVgouKLAYo%3D&reserved=0>

**Stakeholder Feedback**  
**(Received since October 19, 2021)**



October 27, 2021

Bud Sizemore, Chair  
Tina Griffin, Interim Director  
Washington State Gambling Commission  
P.O. Box 42400  
Olympia, WA 98504

**Subject: Comments on proposed WAC 230-19**

Dear Bud and Tina:

On behalf of the Washington Indian Gaming Association (WIGA), I write today to offer feedback on the revised draft sports wagering rules. We very much appreciate the efforts made by your staff to address our concerns, and we acknowledge the improvements that have been made to the current draft.

However, as previously shared with you at our government-to-government meeting on October 1, 2021, we believe the rules can and should be revised before they are brought to the Commission for final action. Making such changes now will help us both avoid future problems, confusion by our vendors, and possible dispute resolution.

We appreciate the Chair and Vice Chair's comments at the October 14, 2021, Washington State Gambling Commission ("WSGC") meeting, thanking the staff for their efforts and acknowledging the "dual regulatory" approach of the WSGC and Tribal Gaming Agencies. However, the two justifications repeatedly presented for the rules—namely to "fill in the gaps" left by the compact negotiation process and to give WSGC "a hook" with respect to sports wagering vendors—do not justify the inconsistencies and overbreadth of the current rule set. Rather, WSGC is ignoring the carefully considered compromises and months of negotiation that were required of the involved tribes to agree on a final compact draft and revisiting issues where WSGC appears to think the compacts should have gone further.

For example:

- WAC 230-19-005 Sports wagering definitions. The definitions are in conflict with Appendix S. For example, in the draft rules, an Integrity Monitoring Provider ("IMP") will "analyze data and reports" but, Appendix S limits an IMP's role to "analyzing reports of Suspicious Wagering Activity and Unusual Wagering Activity." Similarly, the definitions of "Suspicious and Unusual Wagering Activity" substantively deviate from the defined terms in Appendix S. In Appendix S, suspicious wagering activity does not include "money laundering," and unusual wagering activity is determined, at least in part,



by the sports wagering operation, but that reference is not included in the definition in the rules. WSGC's proposed draft is not "gap-filling" language; this is WSGC attempting to renegotiate a broader result from what was already intensely and specifically negotiated through the compacting process.

- WAC 230-19-025 Sports wagering integrity. This section imposes a duty of integrity monitoring on *all* sports wagering vendors; however, in Appendix S, that duty falls to the Tribes and the IMPs. Again, this is not filling a "gap" in the compacts; rather, the parties specifically negotiated for the use of an IMP to fill this critical role. Additionally, the proposed rule requires notice to WSGC in the event of *unusual or suspicious* wagering activity, but in Appendix S, WSGC receives only immediate notice of *suspicious* wagering activity. Plus, the rule purports to require sports wagering vendors to hand over the Tribes' "sports wagering information" to WSGC "when requested," but this conflicts with the information sharing protocols memorialized in Appendix S, i.e., that WSGC may obtain information from the Tribe when it is related to a law enforcement action or investigation, in a manner consistent with the Tribe's information-sharing policy. Again, this draft rule circumvents the expressly negotiated terms of Appendix S.
- WAC 230-19-030 Integrity monitoring provider requirements. Again, this rule conflicts with Appendix S. For example, the draft rule imposes requirements on IMPs that do not appear in Appendix S, such as requiring an IMP to "have systems to receive and analyze sports wagering data and information to be able to monitor, identify, and report on unusual or suspicious wagering activity."
- WAC 230-19-035 Sports wagering system requirements. This section reiterates some of the requirements from Appendix S, like that the system must meet or exceed GLI-33, but it misses some important nuances, like that the Tribe and WSGC can negotiate *deviations* from GLI-33. This puts vendors in a really difficult position if there is a negotiated deviation because that would put them in violation of the rules, even if in compliance with the compacts.
- WAC 230-19-040 Geofence and geolocation requirements. Again, this draft rule imposes requirements that do not appear in Appendix S. The geofence and geolocation technology is approved through Appendix S, and if there is a dispute about the technology, then it should go through dispute resolution—not a licensing infraction against our vendor.

In a perfect world, WSGC would forego these rules altogether as unnecessary because the compacts already give WSGC broad discretion to revoke, suspend, and deny state certification of vendors for failure to comply with any provision or duty imposed by the compact.<sup>1</sup> In addition to the compacts, WSGC already has authority under WAC 230-03-085 to revoke or suspend a

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<sup>1</sup> For example, under Section VII(B) of the Jamestown S'Klallam Tribe's Gaming Compact, the state has authority to revoke, suspend, or deny a state certification "for any reason or reasons [WSGC] deems to be in the public interest" or if a holder of a certification "poses a threat to the effective regulation of gaming" or "has violated, failed, or refused to comply with any provision, requirement, condition, limitation, or duty imposed by one or more provisions of this Compact." Similar language is contained in other tribal-state gaming compacts.

vendor's license if a vendor fails to comply with applicable laws,<sup>2</sup> poses a threat to the effective regulation of gambling,<sup>3</sup> or fails to comply with Chapter 9.46 RCW—which requires that sports wagering is conducted in accordance with a compact.<sup>4</sup>

If WSGC is unsatisfied with the options available under the tribal-state gaming compacts and under WAC 230-03-085, then the appropriate step is to prepare a single rule reiterating that sports wagering vendors must comply with a tribal-state gaming compact and applicable tribal laws. We have previously suggested that very change, and it has been ignored. At a minimum, we would hope that WSGC will revise the rules to eliminate direct conflicts with Appendix S and add a subsection simply stating that if the rules are in conflict with a compact, then the compact will prevail.

Please do not hesitate to reach out to me with any questions or concerns.

Sincerely,



W. Ron Allen  
Tribal Chair/CEO, Jamestown S'Klallam Tribe  
Chairman, Washington Indian Gaming Association

Cc: Julie Lies, Tribal Liaison, WSGC  
Ashlie Laydon, Rules Coordinator, WSGC  
Rebecca George, Executive Director, WIGA

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<sup>2</sup> WAC 230-03-085(3) empowers WSGC to take action against a licensee that “has demonstrated willful disregard for complying with ordinances, statutes, administrative rules, or court orders, whether at the local, state, or federal level.” Licensees would be hard pressed to argue they can flout tribal laws when they cannot even flout local ordinances without significant consequences.

<sup>3</sup> WAC 230-03-085(9) empowers WSGC to take licensing action against a licensee that “poses a threat to the effective regulation of gambling or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities.” This subsection is very broad and would provide a sufficient basis to penalize a sports wagering vendor that is not complying with an applicable compact, tribal gaming ordinance, or tribal law.

<sup>4</sup> WSGC has recourse under WAC 230-03-085(1) if a licensee does not comply with Chapter 9.46 RCW. Under RCW 9.46.0364, “Sports wagering conducted pursuant to the gaming compact is a gambling activity authorized by this chapter.” Thus, any sports wagering not conducted pursuant to a compact runs afoul of chapter 9.46 RCW, giving WSGC a broad catch-all for vendors who fail to comply with an applicable compact.



STATE OF WASHINGTON  
GAMBLING COMMISSION

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

November 9, 2021

The Honorable W. Ron Allen, Chairman  
Washington Indian Gaming Association  
Tribal Chair/CEO, Jamestown S'Klallam Tribe  
525 Pear St SE  
Olympia, WA 98501

Dear Chairman Allen,

Thank you for your letter of October 27, 2021, in which you provided comments on the commission's proposed rules for WAC Chapter 230-19.

We appreciate you sharing specific examples of your concerns regarding the proposed rules. Your comments will be shared with the Commissioners at the November 16, 2021, meeting. The proposed rules are up for discussion only at this meeting. Final action on the rules is not expected to take place until December 7, 2021.

Again, thank you for sharing your concerns with us.

Sincerely,

Tina Griffin  
Interim Director

Cc: Bud Sizemore, WSGC Chairman  
Rebecca George, Executive Director, WIGA  
Julie Lies, Tribal Liaison, WSGC  
Ashlie Laydon, Rules Coordinator, WSGC

**Stakeholder Feedback**  
**(Received since September 3, 2021)**

**From:** [Andrew Winchell](#)  
**To:** [Laydon, Ashlie \(GMB\)](#)  
**Cc:** [Alex Smith](#); [Cory Fox](#)  
**Subject:** RE: Sports Wagering rules for review  
**Date:** Wednesday, September 15, 2021 4:19:54 PM  
**Attachments:** [image006.png](#)  
[image009.png](#)  
[image011.png](#)  
[FanDuel Comments on Updated Washington Sports Betting Regulations 9.15.21.pdf](#)

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External Email

Good evening,

Attached please find FanDuel's comments on the updated sports wagering rules. Thank you again for the opportunity to provide input to the Commission on these rules.

Sincerely,

**Andrew J. Winchell**

Director, Government Affairs

Mobile: 845.325.6235

Email: [andrew.winchell@fanduel.com](mailto:andrew.winchell@fanduel.com)



---

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

**Sent:** Friday, September 3, 2021 6:50 PM

**Cc:** Griffin, Tina (GMB) <[tina.griffin@wsgc.wa.gov](mailto:tina.griffin@wsgc.wa.gov)>; LaMont, Jennifer (GMB) <[jennifer.lamont@wsgc.wa.gov](mailto:jennifer.lamont@wsgc.wa.gov)>; Teal, Adam (GMB) <[adam.teal@wsgc.wa.gov](mailto:adam.teal@wsgc.wa.gov)>

**Subject:** Sports Wagering rules for review

Good afternoon,

At their July 28<sup>th</sup> special public meeting, Commissioners directed staff to continue to work with stakeholders on sports wagering rules, specifically chapter 230-19 WAC, with the intent of bringing draft language back to them for discussion and possible filing at their October 14<sup>th</sup> public meeting. Attached you will find a revised draft chapter 230-19 WAC for your review. Please submit written feedback to [ashlie.laydon@wsgc.wa.gov](mailto:ashlie.laydon@wsgc.wa.gov) by close of business on Wednesday, September 15<sup>th</sup>. This will allow staff time to review feedback and address stakeholder concerns prior to the October public meeting.

Please contact me if you have any questions. Email is best at this time, as we continue to work remotely.

Thank you,

**Ashlie Laydon**

Rules Coordinator | Legal and Records Division

Washington State Gambling Commission

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

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





Cory Fox  
[cory.fox@fanduel.com](mailto:cory.fox@fanduel.com)

September 15, 2021

Via Email to [Ashlie.laydon@wsgc.wa.gov](mailto:Ashlie.laydon@wsgc.wa.gov)

Ashlie Laydon, Rules Coordinator  
Washington State Gambling Commission  
P.O. Box 42400  
Olympia, WA 98504

**Re: FanDuel Comments on “Updated WSGC Sports Wagering DRAFT Rule Changes”**

Dear Coordinator Laydon:

I write to provide comments on behalf of FanDuel Group, Inc. (“FanDuel”) regarding the Washington State Gambling Commission’s (“Commission”) “Updated WSGC Sports Wagering DRAFT Rule Changes” (“Updated Rules”). We thank you for the previous opportunity to comment on the proposed rules and for your thoughtful review and response to our comments. Based on our review of the Updated Rules we have one comment to share with the Commission.

All changes will be shown as follows: proposed additional text will be bolded and underlined and all text to be deleted will be bracketed and struck through. For the sake of clarity, where we are suggesting changes to existing regulations that the Commission is also proposing changes, our additions will be shown in black, while Commission proposed changes will be shown in red.

- ***Issue 1 – Inconsistent Requirement to “promptly” or “immediately” notify the Commission of violations and unusual or suspicious activity.***

The Proposed Rules include two new rules (WAC 230-19-030 – Sports Wagering Integrity and WAC 230-19-035 – Integrity Monitoring Provider Requirements) which include inconsistent reporting standards for sports wagering vendors and integrity monitoring providers to report suspected violations or regulations or statutes and unusual or suspicious wagering activity. Sports wagering vendors and integrity monitoring providers need to report this information in a timely manner to the Commission, and we thank the Commission for changing the reporting standard to “promptly” in 230-19-030 for sports wagering vendors. However, 230-19-030 retains an “immediate” reporting requirement for integrity monitoring providers which does not provide them the flexibility to conduct an initial investigation which would provide the Commission with useful information in the report. Additionally, such initial investigation may resolve the underlying concern (especially in relation to unusual wagering activity) and prevent the



overreporting of “false alarms.” This prompt reporting standard is similar to that required in Michigan (R432.743). To address this concern, we suggest the following amendments:

WAC 230-19-035 Integrity Monitoring Provider Requirements.

**Integrity Monitoring Providers must:**

(1) ~~[Immediately]~~ **Promptly** notify us, in the format we require:

...

In the event the unusual or suspicious activity involves a tribal operator in Washington state, the integrity monitoring provider must ~~[immediately]~~ **promptly** notify the appropriate tribal gaming agency; and

...

(4) ~~[Integrity Monitoring Providers must immediately]~~ **promptly** notify us, and all other Integrity Monitoring Providers, sports wagering operators, and all other agencies or organizations as directed by us, on any previously reported unusual wagering activity it finds rises to the level of suspicious wagering activity.”

\*\*\*\*\*

We appreciate your time and consideration of our comments and would be happy to discuss at your convenience.

Sincerely,

Cory Fox

Government Affairs and Product Counsel Vice President



**Stakeholder Feedback**  
**(Received on or before July 27, 2021)**



Brian J. Considine  
Legal and Legislative Manager  
Washington State Gambling Commission

July 7, 2021

Mr. Considine:

Thank you and your team for working with American Wagering, Inc. (doing business as William Hill) and Caesars Entertainment to create regulations that will protect the public and allow the industry to meet its full potential in Washington. Please find below some suggestions for minor, yet important, changes to the existing draft regulations.

William Hill currently operates sports betting in 18 U.S. jurisdictions, the most of any company in the industry. We offer these suggestions based on our experience in these jurisdictions and in the spirit of helping Washington to implement best practices.

#### **Rule Reference**

WAC 230-19-045

#### **Existing Rule Language**

*(5) No substantive modifications to a sports wagering system may be made after an independent test laboratory has certified a sports wagering system without the modification being certified by the independent test laboratory.*

#### **Comment**

We request a definition of “substantive modifications” be included in the regulations.

Some examples of “substantive modifications” we believe should require recertification include those that have a high impact on regulated components or reporting of the platform, such as:

- 1) Implementation of a new gambling feature or a change to any logic impacting wagering or game logic;
- 2) A change impacting required regulatory reports or data used for financial reconciliation;
- 3) If applicable, a change impacting the handling or storage of personally identifiable information;
- 4) If applicable, a change implemented by the platform provider that substantially impacts geolocation services; or
- 5) A change to accommodate updated regulatory requirements

#### **Reason for Change**

Minor or technical changes outside of the ones listed below do not create a risk to the integrity of the system and are routine. Those changes should be permitted without certification by an independent testing lab.

## **Rule Reference**

WAC 230-19-045

## **Existing Rule Language**

*(8) Cloud storage for sports wagering data and information may be used for duplicate or backup data. Cloud storage facilities, as specified in the applicable tribal-state sports wagering compact amendment, must be located in our state.*

## **Comment**

We suggest deleting the requirement for backup cloud storage to be located in Washington.

## **Reason for Change**

We have not seen a requirement in other jurisdictions for back up cloud storage systems to be confined to the jurisdiction. Allowing cloud storage to be located anywhere in the U.S., but in a facility licensed as a mid-level vendor by the WSGC, would provide sufficient safeguards while lowering expenses for operators.

## **Rule Reference**

WAC 230-19-045

## **Existing Rule Language**

*(9) Sports wagering systems, at a minimum, must be capable of generating reports necessary to record the adjusted gross receipts, wagering liability, ticket redemption, and such other information relating to sports wagering as required by us, a tribal gaming agency, or internal controls. These reports include, but are not limited to:*

- (a) Gaming operation revenue;*
- (b) Gaming operation liability;*
- (c) Future event;*
- (d) Significant events and alterations;*
- (e) Wager record information;*
- (f) Market information;*
- (g) Contest or tournament information;*
- (h) Sports wagering account information;*
- (i) Sports wagering system information;*
- (j) Significant event information;*
- (k) User access information;*
- (l) Wagering device information;*
- (m) Promotion or bonus information;*
- (n) Event game play;*
- (o) Expired ticket; and*
- (p) Any other reports required by us or a tribal gaming agency.*

## **Comment**

We suggest replacing the above list with the GLI-33 §2.9 list of minimum reports.

## **Reason for Change**

The GLI list is widely used and operators are already familiar with issuing these reports. As it is written above, the WSGC would need to craft detailed criteria for each of the above reports and

operators may have varying interpretations of how to comply. Using the GLI list allows for consistent reporting and less regulatory burden for the WSGC.

### **Rule Reference**

WAC 230-19-060

### **Existing Rule Language**

#### **Records retention for sports wagering vendors.**

*Where applicable, sports wagering vendors must retain the following records:*

- (1) For at least five years:
  - (a) Suspicious wagering activity; and*
  - (b) Unusual wagering activity.**
- (2) For at least three years at the end of their fiscal year:
  - (a) All required accounting records;*
  - (b) Sales invoices;*
  - (c) Sales journals; and*
  - (d) Credit memos.**
- (3) For at least two years:
  - (a) Data feeds;*
  - (b) Sports wagering account information;*
  - (c) Mobile wagering account information; and*
  - (d) Geofence or geolocation information.**

### **Comment**

We suggest this retention requirement be placed on licensed data providers, not the operators who use the data.

### **Reason for Change**

Operators may archive some, but not all, of the data provided. Placing the onus on the data providers would be more appropriate as they create and send the data, and less burdensome to the end users of the data, the operators.

Thank you to you, Ms. Laydon, and the Commission for considering our comments on these draft regulations.

Regards,

*s/Trevor Hayes*

cc: Ashlie Laydon, rules coordinator Washington State Gambling Commission

**From:** [Kevin Cochran](#)  
**To:** [Considine, Brian \(GMB\)](#); [Laydon, Ashlie \(GMB\)](#)  
**Cc:** [Griffin Finan](#)  
**Subject:** DraftKings -- WSGC Sports Wagering Rules Comments  
**Date:** Monday, June 7, 2021 5:58:37 AM  
**Attachments:** [DraftKings WSGC Sports Wagering Rules Comments -- 6-7-2021.pdf](#)

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External Email

Dear Legal and Legislative Manager Considine and Rules Coordinator Laydon,

Attached you will find DraftKings Inc.'s ("DraftKings") comments to the Washington State Gambling Commission's Sports Wagering Draft Rule Changes. Thank you for your consideration of DraftKings' comments. Please do not hesitate to reach out to us if you have any questions regarding our submitted comments.

Thanks and have a nice week,

Kevin

**KEVIN COCHRAN**

Senior Manager, Government Affairs and Senior Corporate Counsel  
DraftKings Inc.  
215-290-4428





July 27, 2021

**Via Email to Brian.Considine@wsgc.wa.gov and Ashlie.Laydon@wsgc.wa.gov**

Brian Considine, Legal and Legislative Manager  
Ashlie Laydon, Rules Coordinator  
Washington State Gambling Commission  
4565 7th Avenue S.E.  
Lacey, WA 98503  
(360) 486-3440

**RE: Sports Wagering Proposed Draft Rules Filed (6/23/2021)**

Dear Legal and Legislative Manager Considine and Rules Coordinator Laydon,

In response to the Proposed WSGC Sports Wagering DRAFT Rule Changes promulgated by the Washington State Gambling Commission (“Commission”) delivered to stakeholders on June 23, 2021 and the follow-up email from the Commission answering and responding to our previous comments on June 30, 2021, DraftKings Inc. (“DraftKings”) submits the following comments. As a leading sports wagering operator in the United States, DraftKings has first-hand experience with the topics addressed in the proposed rules and respectfully submits these comments based on its operational knowledge and its consumers’ experience in multiple regulated markets.

As a note of reference, when the term “Compact” is used below, it refers to the compact amendments that are substantially similar and agreed to by the Commission and the eleven tribes as described in the [press release](#) issued by the Commission on May 13, 2021.

**WAC 230-03-311, 312, 313 Applying for a major/mid-level/ancillary sports wagering vendor representative license**

DraftKings respectfully requests the Commission amend the persons that must apply for a major sports wagering representative license to be more consistent with the term “Gaming Employee” in Section II of the Compact. As currently drafted, the term “represent” could be interpreted broadly to encompass an almost countless number of individuals across the sports wagering industry, for example lawyers and accountants, and lead to an administrative burden for applicants and the Commission. By removing the term “represent,” the definition would better align with the term “Gaming Employee” as defined in the Compact, and focus on persons employed in the operation or management of gaming in the state. For these reasons we respectfully request the following amendment:



*You must apply for a major/mid-level/ancillary sports wagering representative license if you, as an individual, are employed or contracted by a major/mid-level/ancillary sports wagering vendor to ~~represent~~, service, or work in any sports wagering activities in our state or you supervise those who do.*

### **WAC 230-05-170 Fees for other businesses**

DraftKings respectfully requests that the Commission consider lowering the base license fee for mid-level and ancillary sports wagering vendors. While we appreciate the Commission's response detailing how all regulatory funding must come from licensing fees and tribal cost reimbursements, these fees as currently outlined are very high for retail sports wagering. In working through the regulatory process in other states, charging mid-level and some ancillary vendors a fee annually, particularly fees of \$10,000 and \$5,000, could be limiting on those wishing to enter the market. As currently drafted, these fees are higher for vendors in similar on-premises wagering jurisdictions but also higher than many states where mobile sports wagering is offered statewide.

### **WAC 230-19-045 Sports wagering system requirements**

DraftKings respectfully requests modifications to the types of reports that must be generated by a sports wagering system to match what is found in Section 5.3.9 of the Compact. By inserting the term "may include," it creates flexibility between the major sports wagering vendor and the tribal gaming authority to determine the best way to report "the adjusted gross receipts, wagering liability, ticket redemption, and such other information relating to sports wagering as required." This flexibility is important because some of the reports listed in the second sentence of this requirement are not industry standard and not something regularly produced by sports wagering operators. Tribal gaming authorities and major sports wagering vendors can create reports to meet the goals of the first sentence without having to configure their systems or make changes to their systems to produce all of the reports listed. Even without a requirement that a system be able to produce all of the listed reports, the Commission will have an opportunity to make sure the reporting framework adequately outlines how a sports wagering operation plans to record "adjusted gross receipts, wagering liability, ticket redemption, and such other information relating to sports wagering as required," as the Commission must review and concur initial internal controls pursuant to Section 5.9.1 of the Compact.

*(9) Sports wagering systems, at a minimum, must be capable of generating reports necessary to record the adjusted gross receipts, wagering liability, ticket redemption, and such other information relating to sports wagering as required by ~~us~~, a tribal gaming agency, or internal controls. These reports **may include, as specified in the applicable tribal-state sports wagering compact amendment, but** are not limited to: (a) Gaming*



*Operation Revenue reports; (b) Gaming Operation Liability reports; (c) Future Events reports; (d) Significant Events and Alterations reports; (e) Wager Record Information reports; (f) Market Information reports; (g) Contest/Tournament Information reports; (h) Player Account Information reports; (i) Sports Wagering System Information reports; (j) Significant Event Information reports; (k) User Access Information reports; and (l) any other reports required by ~~us or~~ a tribal gaming agency.*

### **WAC 230-19-035 Sports wagering integrity**

DraftKings respectfully requests the requirement for sports wagering vendors to notify the Commission for unusual wagering activity be removed to align with Sections 5.9.2.f and 7.22 of the Compact. Section 5.9.2.f requires internal controls to address procedures for identifying and reporting unusual and suspicious activity to an integrity monitoring provider. Section 7.22 sets a requirement for an integrity monitoring provider to notify different stakeholders, including the Commission, when an integrity monitoring provider identifies suspicious wagering activity. Based on those sections and the definition of an integrity monitoring provider in Section 2 of the Compact, the major sports wagering vendor should either be required to report unusual and suspicious activity to the integrity monitoring provider, which in turn will share with the Commission, or the major sports wagering vendor should be required to report suspicious activity to the Commission.

*Sports wagering vendor and vendor representatives must promptly notify us, in the format we require, when ~~unusual wagering activity or~~ suspicious wagering activity is identified, including changes with the status of, or information related to, a previously reported unusual or suspicious wagering activity.*

*Or*

*Sports wagering vendor and vendor representatives must promptly notify an **integrity monitoring provider** ~~us, in the format we require,~~ when unusual wagering activity or suspicious wagering activity is identified, including changes with the status of, or information related to, a previously reported unusual or suspicious wagering activity.*

### **WAC 230-19-045 Sports Wagering System Requirements**

DraftKings respectfully requests the Commission include the language found in Section 5.3.4 of the Compact to provide clarity on what is a substantive modification.

*(5) No substantive modifications to a sports wagering system may be made after an independent test laboratory has certified a sports wagering system without the*





*modification being certified by the independent test laboratory. **The following modifications are not considered substantive and do not require notification to the Commission: (a) Changes to content not related to any regulated feature; (b) Installation or changes to backup software; (c) Adding or removing users; and (d) any system configuration changes that have no impact on the accuracy of report information including gaming revenue.***

\* \* \* \* \*

Thank you for your consideration of DraftKings' comments in connection with the Proposed WSGC Sports Wagering DRAFT Rule Changes. DraftKings looks forward to continuing its work with the Commission to ensure that the Washington sports wagering market is best positioned for success.

Sincerely,

DraftKings Inc.



June 7, 2021

**Via Email to Brian.Considine@wsgc.wa.gov and Ashlie.Laydon@wsgc.wa.gov**

Brian Considine, Legal and Legislative Manager  
Ashlie Laydon, Rules Coordinator  
Washington State Gambling Commission  
4565 7th Avenue S.E.  
Lacey, WA 98503  
(360) 486-3440

**RE: Proposed WSGC Sports Wagering DRAFT Rule Changes (5/28/2021)**

Dear Legal and Legislative Manager Considine and Rules Coordinator Laydon,

In response to the Proposed WSGC Sports Wagering DRAFT Rule Changes promulgated by the Washington State Gambling Commission (“Commission”), DraftKings Inc. (“DraftKings”) submits the following comments. As a leading sports wagering operator in the United States, DraftKings has first-hand experience with the topics addressed in the proposed rules and respectfully submits these comments based on its operational knowledge and its consumers’ experience in multiple regulated markets.

**WAC 230-03-035 Applying for a license**

DraftKings respectfully requests that the Commission consider amending WAC 230-03-035(2), with respect to the timeline for an incomplete application being administratively closed. As currently constructed, the subsection is vague and leaves to question when exactly the application remediation period begins. To help provide more clarity within the rule, DraftKings respectfully requests that the notification be in specific reference to an incomplete application. The proposed amendment would read as follows:

*(2) If the application is incomplete, you must provide us with the required items within thirty days of notification **of an incomplete application** or we may administratively close the application.*

**WAC 230-03-311 Applying for a major sports wagering vendor representative license**

DraftKings respectfully requests that the Commission narrow the reach of WAC 230-03-311, with respect to who must apply for a major sports wagering representative license. As currently constructed, the language could require the entire workforce of a sports wagering vendor to be



licensed as a major sports wagering vendor representative. If the Commission were to require all employees to be licensed as a vendor representative, this would be overly burdensome on vendors and the Commission. DraftKings respectfully suggests the language be amended in the following way:

*You must apply for a major sports wagering representative license if you, as an individual, ~~sell, market, promote, represent, service, or otherwise~~ work in any sports wagering activities under employment or contract to a major sports wagering vendor in our state or you supervise those who do.*

With the above changes, DraftKings believes that the Commission will still be able to license appropriate persons, including those that work in sports wagering, their managers, or those that service sports wagering kiosks, but will not reach the next wave of persons that could be wrapped into this requirement, like business development representatives or lawyers.

#### **WAC 230-05-170 Fees for other businesses**

DraftKings respectfully requests that the Commission consider lowering the base license fee for all three levels of sports wagering vendors. As currently drafted, these fees are higher for vendors in similar on-premises wagering jurisdictions but also higher than many states where mobile sports wagering is offered statewide. This is important to note as the total addressable market in jurisdictions that legalize statewide mobile sports wagering is significantly larger than those that only permit retail/on-premises wagering. DraftKings requests that these fees be lowered in the following manner to not be prohibitive for vendors entering Washington to help create a successful sports wagering market.

<i>Major Sports Wagering Vendor</i>	<i>\$<del>85</del><u>15</u>,000</i>
<i>Mid-level Sports Wagering Vendor</i>	<i>\$<del>105</del><u>05</u>,000</i>
<i>Ancillary Sports Wagering Vendor</i>	<i>\$<del>5,01</del><u>500</u></i>

#### **WAC 230-06-xxx Submitting sports wagering related contracts and agreements for review**

DraftKings respectfully requests the requirement in WAC 230-06-xxx that any new or amended contract be submitted to the state prior to execution be stricken in its entirety. As drafted, this requirement is untenable for vendors. Sports wagering vendors are rapidly growing companies and onboard lots of vendors each year, and as written, many of these vendors could be interpreted under this requirement to “relate to [a sports wagering vendor’s] goods and/or services” in the state that in actuality have a very limited connection to the state or the sports wagering vendor’s sports wagering activity. In addition, requiring vendors to submit contracts and agreements, or changes to contracts and agreements, ahead of execution to those contracts or agreements to onboard



vendors with minimal impact on our operations in Washington would be very burdensome on vendors and create a significant administrative challenge, especially when sports wagering vendors will need to onboard certain vendors in real-time to address issues that may arise. Further, requiring these contracts to be submitted as contemplated creates no benefit to the wagering public in Washington and could inhibit operators in providing the wagering services.

~~Sports wagering vendors must provide any new contracts or agreements or changes to existing contracts or agreements relating to their sports wagering goods and/or services in the state of Washington, to us, prior to execution of the contract or agreement.~~

If this requirement is not struck in its entirety, DraftKings respectfully requests the language be reduced to:

**Annually with its license renewal, sports wagering vendors shall provide a list of vendors providing sports wagering goods and/or services in the state of Washington.**

### **WAC 230-17-005 Sports Wagering Definitions**

DraftKings respectfully requests the definition of “*sports wagering system*” be amended to better match the definition in other sports wagering jurisdictions, including Michigan. DraftKings also respectfully requests that the term “*sports wagering kiosks*” be removed from the definition, as it is already defined in this section. By defining a kiosk to be a sports wagering system, it could require that kiosks must be tested and certified under two different requirements, making the WAC 230-17-xxx(2) of Sports Wagering System Requirements section redundant.

~~(12) “Sports Wagering System” means all equipment, hardware, data networks, communications technology, and software used in a sports wagering operation and that directly affect the wagering and results of sports wagering, including, but limited to: (a) interactive components, including all associated equipment and software that comprise the sports wagering platform used by a sports wagering operation or for online or mobile sports wagering; (b) sports wagering kiosks; and (c) ticket or voucher redemption devices. This does not include a Mobile Device owned and used by a patron to place a Sports Wager.~~

### **WAC 230-17-xxx Accounting records for sports wagering vendors.**

DraftKings respectfully requests that the Commission clarify the requirement that sports wagering vendors keep and maintain a complete set of records for their licensed activity to specify that it only relates to their activity in Washington. This requirement could be interpreted to mean the full extent of a sports wagering vendors’ licensed activity, even those outside of the state of



Washington, which is inconsistent with any other jurisdiction currently regulating sports wagering in the United States. The proposed amendment would read as follows:

*Sports wagering vendors must keep and maintain a complete set of records for their licensed activity in the state of Washington and include...*

DraftKings respectfully requests that the Commission narrow the scope of expenses that sports wagering vendors must document, from all expenses to sports wagering expenses in Washington. This requirement is broad and unduly burdensome for sports wagering vendors to comply with no corresponding benefit to the wagering public. DraftKings would also request that sports wagering vendors be able to enter this annually instead of monthly to further reduce the burden this requirement creates. The proposed amendment would read as follows:

*(a) Cash disbursements book (check register) - Sports wagering vendors must document all sports wagering related expenses in the state of Washington, ~~both sports wagering and non sports wagering related~~, with invoices or other appropriate supporting documents. They must enter information annually ~~monthly~~ and include, at least:*

- (i) The date the check was issued or payment made;*
- (ii) The number of the check; and*
- (iii) The name of the payee; and*
- (iv) Type of expense; ~~and~~*

DraftKings respectfully requests that the Commission narrow the requirement that sports wagering vendors must record all cash sales and cash received from all sources, from all cash sales and cash received to cash sales and cash received related to sports wagering in Washington. This requirement is broad and unduly burdensome for sports wagering vendors to comply with no corresponding benefit to the wagering public. The proposed amendment would read as follows:

*Sports wagering vendors must keep a record of sports wagering related cash sales and cash received from all sources in the state of Washington.*

### **WAC 230-17-xxx Sales invoices for sports wagering vendors**

Similar to the reasons stated above for accounting records, DraftKings respectfully requests the Commission narrow the requirement to document transactions and transfers of equipment or services to those that take place in connection to sports wagering operations in Washington.



*Sports wagering vendors must document each sale of equipment or services, any return or refund, or any other type of transfer of sports wagering equipment **in connection to sports wagering operations in the state of Washington**, with a standard sales invoice.*

### **WAC 230-17-xxx Sales journals for sports wagering vendors**

Similar to the reasons stated above for accounting records, DraftKings respectfully requests the Commission narrow the requirement that sports wagering vendors only be required to keep a monthly sales journal related to sales taking place related to their sports wagering operations in Washington.

*Sports wagering vendors must keep a monthly sales journal containing **information about sales for the sports wagering operations in the State of Washington**, **containing** at least:*

- (1) Each date of sale; and*
- (2) Each sale invoice number; and*
- (3) The name of the person paying; and*
- (4) Sales categorized by the sports wagering goods, equipment or services sold; and*
- (5) The total amount of each invoice.*

### **WAC 230-17-xxx Sports Wagering Integrity**

DraftKings respectfully requests that the Commission consider amending the requirement that sports wagering vendors and vendor licensees immediately notify the Commission upon violation or suspected violation of local, state, tribal or federal ordinances, statutes, administrative rules or court order. This requirement serves a paramount policy goal, but DraftKings respectfully requests that sports wagering operators notify as soon as is practicably possible to afford sports wagering vendors and their representatives time to investigate the issue. This is especially important as it relates to “*suspected violations*” outlined in the draft rules.

*(1) Sports wagering vendor and vendor representative licensees must ~~immediately~~ notify us **as soon as practically possible** upon any discovery of a violation or of a suspected violation of RCW 9.46, this Chapter, or any violation of local, state, tribal, or federal ordinances, statutes, administrative rules or court orders.*

In subsection (3), DraftKings respectfully requests that licensees be required to make “commercially reasonable” efforts to detect and prevent prohibited sports wagering participants from participating in sports wagering. This is the standard traditionally used in other sports wagering jurisdictions. One example of where this is important deals with prohibited sports wagering participants. In order to correctly prevent those persons from wagering, sports wagering operators rely on lists that prevent account creation, payouts of certain winnings, etc. However, if



sports wagering operators do not have accurate or up-to-date lists and a prohibited sports wagering participant creates an account or places a wager, a sports wagering operator should not be held liable.

*(3) Licensees must make ~~all~~ commercially reasonable efforts to detect and prevent prohibited sports wagering participants from participating in sports wagering.*

In subsection (4) there is a similar notice requirement that DraftKings respectfully requests the Commission consider amending for the same reasons stated above to subsection (1), and further requests that licensees are only required to share “suspicious activity” with the Commission. Based on our understanding of the authorizing statute, the focus for the Commission is on suspicious activity, and the role of the Integrity Monitoring Provider is to help determine whether unusual activity arises to suspicious activity. The proposed changes incorporate these changes and read as follows:

*(4) Licensees must ~~immediately~~ notify us, as soon as practically possible, in the format we require, when ~~unusual wagering activity or~~ suspicious wagering activity is identified, including changes with the status of, or information related to, a previously reported unusual or suspicious wagering activity.*

DraftKings respectfully requests that the requirement that licensees provide the Commission access to its sports wagering system be amended to provide access in the form of reports and documentation and limit that access to the reports and documentation related to sports wagering in Washington. While DraftKings recognizes the importance of ensuring sports wagering is conducted with integrity, it believes reports and documentation can meet the Commission’s policy intentions without having direct access.

*“Licensees will provide us, or an Integrity Monitoring Provider(s) designated by us, ~~access~~ relevant information and documentation related to their sports wagering system in the state of Washington, ~~including hardware and software if needed to assist us with integrity monitoring and investigations.~~”*

### **WAC 230-17-xxx Integrity Monitoring Provider Requirements**

DraftKings respectfully requests that the Commission consider amending WAC 230-17-xxx(1), with respect to the requirement that integrity monitoring providers be capable of receiving daily sports wagering information. The requirement as drafted could blur the role of the integrity monitoring provider. While it is important that an analytical system be capable of receiving and analyzing information daily, the primary role of the integrity monitoring provider is to receive alerts deemed “unusual” by sports wagering operators and help to determine if those alerts rise to



the level of “suspicious.” That is also congruent with the role specifically laid out in the definition of an “*Integrity Monitoring Provider*” in WAC 230-17-005(5). In order to remove the confusion that there may be required daily reporting, DraftKings respectfully suggests the following changes:

*(1) Integrity monitoring providers must have ~~analytical~~ systems to receive and analyze daily **unusual** sports wagering information and data from a sports wagering operation to assist in identifying and be able to monitor, identify, analyze, and report on suspicious or ~~unusual~~ wagering activity.*

In subsection 3, DraftKings respectfully requests that the requirement be amended to match how integrity monitoring is performed in other jurisdictions. Specifically, if an integrity monitoring provider receives reports of unusual wagering activity from a sports wagering operator or another source (ex. professional sports league), they will reach out to other sports wagering operators to investigate and try to determine if this arises to suspicious wagering activity. In contrast, when integrity monitoring providers identify suspicious wagering activity after investigating and reviewing unusual wagering activity, this triggers the integrity monitoring provider’s duty to notify the Commission. This is a process sports wagering operators are familiar with and has proven effective.

*(3) Integrity Monitoring Providers must immediately notify ~~us~~ **sports wagering operators** when they identify unusual wagering activity and notify the Commission when they identify or suspicious wagering activity.*

### **WAC 230-17-xxx Sports Wagering System Requirements**

DraftKings respectfully requests that the Commission amend its kiosk testing requirement to sync with subsection (2) before it. The term “approved” is redundant and potentially confusing, as a kiosk will not be certified if it has not been approved.

*(3) All sports wagering kiosks must be tested, ~~approved~~, and certified by a licensed independent testing laboratory.*

DraftKings respectfully requests that the requirement that no substantive modifications be made without being previously certified by an independent lab be amended to clarify what substantive modifications rise to the level of needing subsequent certification. Specifically, DraftKings respectfully requests this to align with “high impact changes” as determined by the sports wagering operator according to its internal controls.

*(6) No substantive modifications, as defined in a sports wagering operation’s internal controls, to a sports wagering system may be made after an Independent Test Laboratory*





*has certified a sports wagering system without the modification being certified by the Independent Test Laboratory.*

In relation to the server location requirements, DraftKings respectfully requests that the term “primary server” be defined and that cloud storage be authorized for more than duplicate or back up data and that cloud storage facilities are not required to be located in the state. Making these changes would align with the other sports wagering jurisdictions across the country and requiring cloud storage to be in-state and only for duplicate or backup data is extremely burdensome on sports wagering operators.

*(8) The primary server, **defined as the server responsible for the acceptance and storage of patron wagers**, for a sports wagering system must be in the state and located within a Class III tribal gaming facility.*

*(9) Cloud storage for sports wagering data and information may be used ~~for duplicate or backup data~~. Cloud storage facilities must be located in the state.*

With respect to subsection (10), DraftKings respectfully requests further clarification as to what type of information is required to be included in sports wagering system reports. As an operator in numerous jurisdictions across the country, any logical uniformity that can be achieved for reporting requirements is extremely valuable and helps create a more efficient and safe process for both sports wagering operators and regulators. As currently drafted, these reporting requirements do not make it clear what type of information is required to be included, and likely create a framework where compliance is extremely difficult, as it is unclear how frequent these reports are required to be created and submitted to the Commission or a tribal gaming agency. Based upon DraftKings experience in other jurisdictions, a comprehensive report that includes information regarding Gaming Operation Revenues, Gaming Operation Liability, Future Events, Wager Record Information, and Expired tickets, has been sufficient for other regulators. DraftKings would also respectfully request the time to produce and submit these reports be a commercially reasonable time period, which is a standard that has been adopted in other sports wagering jurisdictions for certain reports, including Illinois. The proposed amendment would read as follows:

*(10) Sports wagering systems, at a minimum, must be capable of generating reports necessary to record the adjusted gross receipts, wagering liability, ticket redemption, and such other information relating to sports wagering as required by us, a tribal gaming agency, or internal controls. These reports **must be submitted upon request by the Commission in a commercially reasonable time period, and** include, ~~but are not limited to~~: (a) Gaming Operation Revenue reports; (b) Gaming Operation Liability reports; (c) Future Events reports; ~~(d) Significant Events and Alterations reports;~~ ~~(ed)~~ Wager Record Information reports; ~~(f) Market Information reports;~~ ~~(g) Contest/Tournament Information~~*



*reports; (h) Sports Wagering Account Information reports; (i) Sports Wagering System Information reports; (j) Significant Event Information reports; (k) User Access Information reports; (l) Wagering Device Information reports; (m) Promotion/Bonus Information reports; (n) Event Game Play reports; and (oe) Expired tickets reports; and (p) any other reports required by us or a tribal gaming agency.*

With respect to subsection (11), DraftKings respectfully requests a minor change that clarifies that patron-controlled wager and deposit limits are only guaranteed on mobile wagering systems, as wagers placed on kiosks and through cashiers may not have this functionality.

*(11) Sports wagering systems and sports wagering kiosks will, at a minimum, allow for a display of commitment to responsible gaming and link to the Class III tribal sports wagering operator's responsible gaming policies. It will also have solutions for including, but not limited to: patron controlled wager and deposit limits, **where permissible**; and connecting players to problem gambling resources.*

### **WAC 230-17-xxx Sports Wagering Account Requirements**

DraftKings respectfully requests that the Commission consider amending WAC 230-17-xxx(3), the requirement that sports wagering accounts must be registered and verified in-person at a tribal gaming facility. As currently constructed, this section could be interpreted to require players to verify their sports wagering accounts in-person each time they return to a tribal gaming facility, regardless of whether they have previously registered at that same tribal gaming facility or already have an existing sports wagering account with a sports wagering vendor.

Additionally, DraftKings respectfully requests that the requirement allow players to register at a tribal gaming facility without having to interact with a sports wagering employee. Other sports wagering states, including Iowa and Illinois, two states that required in-person registration at a sports wagering facility in some capacity for some period of time, but the regulations have been drafted to allow for a completely automated sign up process for an account while at the facility. DraftKings respectfully requests that Washington take the same approach.

*(3) A sports wagering account must be registered and verified ~~in-person~~ at a tribal gaming facility before the acceptance of any wager using that Sports Wagering Account. **Players who have previously registered and have been verified at a tribal gaming facility will not be required to be subsequently registered or verified at that same tribal gaming facility thereafter.***

DraftKings respectfully requests subsection (4) be amended to match the requirement as it exists in other sports wagering jurisdictions, including Michigan.



*(4) A player's identification for a sports wagering account must be **periodically** reverified upon reasonable suspicion that the player's identification has been compromised.*

With respect to subsection (5), DraftKings respectfully requests further clarification on our interpretation that a licensee must hold player account funds at a federally regulated financial institution that is licensed to operate and thus do business in Washington, and not be physically located in the state.

\* \* \* \* \*

Thank you for your consideration of DraftKings' comments in connection with the Proposed WSGC Sports Wagering DRAFT Rule Changes. DraftKings looks forward to continuing its work with the Commission to ensure that the Washington sports wagering market is best positioned for success.

Sincerely,

DraftKings Inc.

**From:** [Considine, Brian \(GMB\)](#)  
**To:** [Laydon, Ashlie \(GMB\)](#)  
**Subject:** FW: BetMGM Comments on WA State Proposed Rules  
**Date:** Monday, June 7, 2021 2:05:17 PM  
**Attachments:** [image002.png](#)  
[image004.png](#)

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Brian J. Considine  
Legal and Legislative Manager  
Washington State Gambling Commission  
(360) 486-3469 (office)  
(360) 485-8921 (mobile)  
[Brian.considine@wsgc.wa.gov](mailto:Brian.considine@wsgc.wa.gov)



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**From:** Limun, Jeremy <jlimun@mgmresorts.com>  
**Sent:** Monday, June 7, 2021 1:42 PM  
**To:** Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>  
**Cc:** Limardo, Rick <rlimardo@mgmresorts.com>  
**Subject:** BetMGM Comments on WA State Proposed Rules

External Email

Hi, Brian. Thank you so much for the opportunity to participate in the rulemaking process. Our regulatory team shortly will be sending our public comments. But I just wanted to flag just three substantive items in advance (overall, the rules were positive so we don't have a lot of issues).

1. **Remote registration and tribal mobile:** Clarification on whether verification on a mobile device at a tribal gaming facility would be permissible and the definition of tribal premises for purposes of geofencing.
2. **Vendor and occupational licensing:** We have a couple of comments and points of clarification on the types of vendors and employees that will require licensing.
3. **Temporal requirements:** We have some recommendations on some of the notification windows.

As always, please don't hesitate to let us know if you have any questions on our comments or on the rules in general. Thank you.

Regards,

Jeremy Limun

Director, Government Affairs  
MGM Resorts International  
O 702-692-6881  
M 702-205-4089  
[jlimun@mgmresorts.com](mailto:jlimun@mgmresorts.com)



June 7, 2021

*VIA E-mail to Brian Considine at [Brian.considine@wsgc.wa.gov](mailto:Brian.considine@wsgc.wa.gov) and Ashlie Laydon at [Ashlie.laydon@wsgc.wa.gov](mailto:Ashlie.laydon@wsgc.wa.gov)*

Washington State Gambling Commission

Dear Brian and Ashlie,

On behalf of BetMGM, LLC (“BetMGM”), we would like to express our appreciation for seeking our input during the stakeholder process to develop the state’s event wagering rules.

BetMGM is a market leading online gaming and entertainment company. Born out of a partnership between MGM Resorts International and Entain Plc, BetMGM has exclusive access to all of MGM's U.S. land-based and online sports betting, major tournament poker, and iGaming businesses. BetMGM currently offers sports betting in 12 U.S. jurisdictions (Colorado, Indiana, Iowa, Michigan, Mississippi, Nevada, New Jersey, Oregon, Pennsylvania, Tennessee, Virginia, and West Virginia).

BetMGM appreciates the opportunity to provide the following feedback and commends your commitment to transparency and fostering a robust event wagering market in a responsible and expeditious manner. As a premier sports betting operator in the country, BetMGM stands ready to be a resource to the Commission as it aims to establish a successful event wagering industry. Please feel free to reach out to us with any questions or if you would like to discuss any of the topics presented below in further detail.

**1. Rule: WAC 230-03-060 Fingerprinting.**

(1) The following persons must submit fingerprints and undergo a national criminal history background check:

- (a) Substantial interest holders of commercial businesses and charitable or nonprofit organizations who live or have lived out of the state in the last ten years; and
- (b) Card room employees, commercial and nonprofit gambling managers, and manufacturer, distributor, service supplier, call centers for enhanced raffles, and linked bingo prize provider, and sports wagering vendor representatives; and
- (c) Any other substantial interest holder when we have information they may not be qualified for licensure or to participate in a gambling activity.

**BetMGM Comment:**

BetMGM seeks confirmation that this requirement would apply to substantial interest holders of sports wagering vendors. It is unclear is this would apply to businesses that are licensed as a sports wagering vendor

It appears that the impact of this language will be determined by the definition of "sports wagering vendor representatives." As discussed relating to 230-03-311 below, the regulation



could be read expansively to apply to all BetMGM employees. Clarification is requested on that definition to analyze the impact of this fingerprinting requirement.

**2. Rule: WAC 230-03-200 Defining “gambling equipment.”**

(4)(b) Components of a sports wagering system;

**BetMGM Comment:**

BetMGM seeks clarification of what defines “Components” of a sports wagering system.

**3. Rule WAC 230-03-230**

You must apply for a major sports wagering vendor license if you provide integral sports wagering goods or services in our state. This includes:

- (1) Managing a Tribe’s or Tribes’ sports wagering operations;
- (2) Being a Tribe’s or Tribes’ primary consultant who provides substantial sports wagering related services;
- (3) Being a manufacturer or distributor of a sports wagering system(s);
- (4) Providing bookmaking services; or
- (5) Providing sports wagering risk management services.

**BetMGM Comment:**

BetMGM seeks confirmation that companies that contract with tribes to operate sports wagering will be required to hold this “major sports wagering vendor license” and seeks further clarification regarding the use of the term “sport wagering operator” and what that terms applies to as used in the draft rules.

For (5) “Providing sports wagering risk management services” BetMGM seeks clarification on the scope of risk management services that are included in this subrule. Does this include Geo-comply? PEN Testing? Other?

**4. Rule WAC 230-03-231 Applying for a mid-level sports wagering vendor license**

(1) Integrity monitoring

**BetMGM Comment:**

BetMGM seeks clarification on the scope of “integrity monitoring” that is included in this subrule. Does integrity monitoring include Sports wagering testing or firms conducting PEN testing? BetMGM recommends amending to specify “Integrity monitoring provided by independent test laboratories.”

**Rule (cont.)**

(4) Initial or annual sports wagering system security testing or assessment;

**BetMGM Comment:**

BetMGM recommends specifying a timeframe for this such as, “the responsible party shall perform an integrity and security assessment of the event wagering system within ninety (90) days after the commencement of operations, and annually. The assessment shall be submitted to



the Commission no later than thirty (30) days after the assessment.” This will provide operators a chance to formulate a remediation plan after such security testing / assessment.

In addition, suggesting independent integrity and security assessment professionals shall obtain a license prior to conducting an assessment will create a limited pool of professionals to select from. Operators have a vested interest ensuring the most qualified security assessment professionals are selected. BetMGM recommends affording companies select security professionals based on the industry known credentials.

**5. Rule WAC 230-03-311 Applying for a major sports wagering vendor representative license**

You must apply for a major sports wagering representative license if you, as an individual, sell, market, promote, represent, service, or otherwise work in any sports wagering activities under employment or contract to a major sports wagering vendor in our state or you supervise those who do.

**BetMGM Comment:**

BetMGM seeks clarification regarding the limits of this licensing requirement. Would this requirement extend to anyone that works for a Major Sports Wagering Vendor and require that all employees be licensed as a representative? Would this extend to all traders that activate markets in WA, all compliance personnel that perform work relating to WA, etc.?

BetMGM seeks further clarification that this “representative” license will not apply to “substantial interest holders” of a Major Sports Wagering Vendor.

BetMGM recommends that this “representative” license apply only to those Major Sports Wagering Vendor employees that are physically located in Washington.

**6. Rule WAC 230-03-335 Representatives must not work before receiving a license.**

If you are applying for a license as a representative for a manufacturer, distributor, gambling services supplier, call centers for enhanced raffles, a sports wagering vendor, or linked bingo prize provider, you must not work until you receive a license from us.

**BetMGM Comment:**

BetMGM seeks confirmation that this rule does not prohibit a licensee from hiring and training personnel before they are licensed.





**BETMGM**

**7. Rule WAC 230-06-030 Restrictions and conditions for gambling promotions.**

(1) You must establish rules and restrictions to determine how you will give promotional prizes and items to players;

...

(7) Licensed manufacturers, distributors, and service suppliers may give cash or merchandise items to licensed operators to be used as promotional prizes as long as:

(a) The cash or merchandise is offered to all licensed operators; and

(b) The gambling promotion is approved by the director or director's designee when cash or merchandise provided to a licensed operator for a single promotion is over twenty-five thousand dollars;

**BetMGM Comments:**

(1) BetMGM seeks clarification as to whether these "established promotional rules" have to initially be approved by the regulator before a licensee can proceed with promotions without further review and approval.

(7) BetMGM seeks clarification as to what situations this section would apply to? Is this referring to an industry-wide promotion that a manufacturer/distributor/supplier wants to initiate? Are these requirements therefore imposed on the manufacturer/distributor/supplier and not the operator/vendor?

**8. Rule WAC 230-06-082**

Manufacturers, distributors, gambling service suppliers, **sports wagering vendors**, linked bingo prize providers and call centers for enhanced raffles licensees must:

(1) Submit an application and the required fees before allowing licensed employees **or sports wagering vendor representatives** to begin working.

(2) Notify us in the format we require when a licensed employee **or sports wagering vendor representative** no longer works for them. We must receive the notice at our Lacey office within ten days of the licensed employee's **or representative's** last day.

**BetMGM Comment:**

(1) See Comment to 230-03-335 - BetMGM seeks confirmation that it can hire and train personnel before they are licensed.

(2) See comment on representative licensing. If representative licensing extends to all or a significant portion of Vendor employees tracking and providing such notification within the proposed timeframe will be difficult and overly burdensome.



**BETMGM**

**9. Rule (NEW) WAC 230-17-xxx Authorized Sports Wagering Menu**

- (1) Sports wagering vendor licensees may only offer, facilitate, or promote wagering that is approved on the Authorized Sports Wagering Menu.
- (2) The Authorized Sports Wagering Menu will be updated as leagues, organizations, or types of wagers are approved or removed.
- (3) The Authorized Sports Wagering Menu will be published on the commission's website.

**BetMGM Comment:**

What, if any, process will exist for operators to request additional events or wager-types?

**10. Rule (New) WAC 230-17-xxx Sports Wagering Integrity**

- (1) Sports wagering vendor and vendor representative licensees must immediately notify us upon any discovery of a violation or of a suspected violation of RCW 9.46, this Chapter, or any violation of local, state, tribal, or federal ordinances, statutes, administrative rules or court orders.

...

- (4) Licensees must immediately notify us, in the format we require, when unusual wagering activity or suspicious wagering activity is identified, including changes with the status of, or information related to, a previously reported unusual or suspicious wagering activity.

**BetMGM Comment:**

Similar to the above requirement **WAC 230-06-054** , BetMGM recommends providing a 72 hour notification window to be added.

**11. Rule (NEW) WAC 230-17-xxx Integrity Monitoring Provider Requirements**

- (3) Integrity Monitoring Providers must immediately notify us when they identify unusual wagering activity or suspicious wagering activity.
- (4) Integrity Monitoring Providers must immediately notify us, and all other Integrity Monitoring Providers, sports wagering operators, and all other agencies or organizations as directed by us, on any previously reported unusual wagering activity it finds rises to the level of suspicious wagering activity.

**BetMGM Comment**

Similar to the above comment , BetMGM recommends providing a 72 hour notification window to be added.



**BETMGM**

**12. Rule (NEW) WAC 230-17-xxx Sports Wagering System Requirements**

(2) All sports wagering systems must be tested and certified by a licensed independent testing laboratory.

(3) All sports wagering kiosks must be tested, **approved**, and certified by a licensed independent testing laboratory.

(4) All sports wagering systems must be approved by the Tribal Gaming Agency where the system is to be installed and operated.

**BetMGM Comment:**

BetMGM recommends removing “approved” from subsection (3) to require the kiosks to be tested and certified by a laboratory, but ultimately “approved” by the Tribal Gaming Agency.

**13. Rule (NEW) WAC 230-17-xxx Sports Wagering System Requirements**

(9) Cloud storage for sports wagering data and information may be used for duplicate or backup data. Cloud storage facilities must be located in the state.

**BetMGM Comment:**

BetMGM recommends allowing cloud storage facilities outside the state, so long as it is accessible to the Commission.

**Rule (cont.)**

(11) Sports wagering systems and sports wagering kiosks will, at a minimum, allow for a display of commitment to responsible gaming and link to the Class III tribal sports wagering operator’s responsible gaming policies. It will also have solutions for including, but not limited to: patron controlled wager and deposit limits; and connecting players to problem gambling resources.

**BetMGM Comment:**

BetMGM seeks clarification as to whether there will there be any responsible gaming requirements specific to mobile applications?

**Rule (cont.)**

(12) Licensees bringing sports wagering systems, components, and kiosks into the state must provide us access to the sports wagering system(s), including hardware, software or other related sports wagering equipment as needed for us to develop our regulatory program and trainings. Sports wagering system hardware, software, or other related equipment provided to us must be identical or substantially similar to what is deployed in the state.

**BetMGM Comment:**

How far in advance is access to sports wagering systems, components, and kiosks required to be provided?



**BETMGM**

**14. Rule (NEW) WAC 230-17-xxx Geofence and Geolocation Requirements**

(1) Mobile sports wagering must be contained to an approved Class III tribal gaming facility premises as approved pursuant to each tribal-state sports wagering compact amendment. Licensees will incorporate controls, including geofence and geolocation compliance and monitoring, to ensure wagers cannot be placed in violation of federal, state, or tribal laws and rules within each jurisdiction.

**BetMGM Comment:**

BetMGM seeks clarification as to the meaning of “premises” (i.e. does the premises include all lands owned by the tribe? Some subset of tribal lands where a physical gaming facility exists? Or some other definition?).

**15. Rule (NEW) WAC 230-17-xxx Sports Wagering Account Requirements**

(1) Licensees that manage or have access to a sports wagering account must maintain and produce all sports wagering account information when requested by us or a tribal gaming agency.

**BetMGM Comment:**

BetMGM recommends adding a temporal requirement i.e. such information must be produced within 10 days of a request.

**Rule (cont.)**

(3) A sports wagering account must be registered and verified in-person at a tribal gaming facility before the acceptance of any wager using that Sports Wagering Account.

**BetMGM Comment:**

BetMGM seeks clarification on the definition of “in-person.” Would verification on a mobile device on or at a tribal gaming facility suffice?

**16. Rule (NEW) WAC 230-17-005 Sports Wagering Definitions**

(13) “**Sports wagering vendor**” means all three sports wagering licensees—major, mid-level, and ancillary—identified in this Chapter unless identified otherwise in these rules.

**BetMGM Comment:**

BetMGM recommends specifically identifying each level of sports wagering vendor license to clarify which vendors will require a major, mid-level, and ancillary license.

**From:** [Edward Fleisher](#)  
**To:** [Considine, Brian \(GMB\)](#)  
**Cc:** [Griffin, Tina \(GMB\)](#); [Suzanne \(ATG\)](#); [Sizemore, Bud \(GMB\)](#); [Laydon, Ashlie \(GMB\)](#); [James, Sharon M. \(ATG\)](#); [Lies, Julie \(GMB\)](#); [Kara Fox-Larose](#); [Paul Dasaro](#); [Phil Harju](#)  
**Subject:** Sports Wagering Draft Rules for Comment  
**Date:** Friday, June 4, 2021 3:28:58 PM

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External Email

Brian – Thank you for seeking stakeholder input on the proposed Sports Wagering Rules.

While I may have additional suggestions as the process moves forward, at this time I will limit my comments to three areas where I have significant concerns with the state’s approach.

My first and by far biggest concern is the proposed language for WAC Sub-Chapter 230-17.

This sub-chapter sets forth definitions, accounting standards, records keeping requirements, and other operational requirements for sports wagering.

Placing this language in the Washington Administrative Code is simply inappropriate. It is disrespectful of tribal sovereignty, of government-to-government relationships, of the role of Tribal Gaming Agencies as the primary regulator of Class III Gaming, and of the long hours of work invested by all sides in the compact negotiation process.

IGRA (and state law) require that Tribal gaming be conducted according to the language and requirements of the IGRA, the compact and the internal controls, not by the WAC regulations unilaterally adopted by the state.

In the Sports Wagering Compact negotiations, when the Tribes agreed to the state’s position of adding new licensing categories for sports wagering, we understood that this would involve new state rules for certification (licensing) of sports wagering vendors and representatives. We did not expect that the state would expand the scope of their rulemaking from Sports Wagering Vendor Licensing to the general regulation of sports wagering activities.

This rule making must distinguish between rules related to the backgrounding and licensing of Vendors, and rules related to the operation and conduct of a Tribe's Sports Book activities. The former is a proper subject of state rule making, the latter belongs in a Compact and/or the internal controls agreed to by a Tribe and the state of Washington. We spent many hours in negotiations discussing what language should be in the Compact and what should reside in the IC’s. The state cannot now ignore that process and adopt its own rules for regulation of Class III Sports Wagering, which it appears to me is exactly what you are attempting to do in Sub-Chapter 230-17.

**I would request that all this proposed language in Chapter 230-17 be stricken from the rule making.**

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My second concern is the contract submission requirements in WAC 230-03-xxx titled “Additional information required for sports wagering vendors”, and in WAC 230-06-xxx titled “Submitting sports wagering related contracts and agreements for review”.

Why is this requirement placed on Sport Wagering vendors, when it is not placed on other licensees? I am unaware of any other area where you make licensees submit contracts for review before they are even signed.

I am concerned that by submitting these proprietary business agreements to the state, they will become public records. If you think some Public Records exemption applies, please let me know.

Finally, I am concerned that these sections are written so broadly that it is not clear exactly what range of contracts a vendor would have to submit.

My third area of concern is the Fee Schedule in WAC 230-05-170. For other type of class III vendors, the fee has a minimum and a maximum based on the amount of Gross Receipts. Why is there only a single fixed fee for Sports Wagering Vendors regardless of size or amount of business conducted in the state? Also, the fee for Major SW Vendors is \$85,000, which is 3.5 times the maximum fee charged Manufacturers, who’s fees range from \$1,500 to \$25,000. What is the rational behind that?

Again, thanks for the opportunity to provide input on the proposed rules. I hope my comments are helpful.

Ed Fleisher  
General Counsel  
Cowlitz Tribal Gaming Authority

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**From:** [Andrew Winchell](#)  
**To:** [Considine, Brian \(GMB\)](#); [Laydon, Ashlie \(GMB\)](#)  
**Cc:** [Cory Fox](#); [Alex Smith](#)  
**Subject:** FanDuel Comments on "Proposed WSGC Sports Wagering DRAFT Rule Changes"  
**Date:** Monday, June 7, 2021 7:42:00 AM  
**Attachments:** [image001.png](#)  
[FanDuel Comments on Proposed WSGC Sports Wagering DRAFT Rule Changes 6.7.21.pdf](#)

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External Email

Dear Manager Considine and Coordinator Laydon,

Thank you very much for the opportunity to provide comments from FanDuel on the "Proposed WSGC Sports Wagering DRAFT Rule Changes." Attached please find our comments and please let me know if you have any questions or need additional clarification on our suggested changes.

**Sincerely,**

**Andrew J. Winchell**

Director, Government Affairs

Mobile: 845.325.6235

Email: [andrew.winchell@fanduel.com](mailto:andrew.winchell@fanduel.com)





Cory Fox  
[cory.fox@fanduel.com](mailto:cory.fox@fanduel.com)

June 7, 2021

Via Email to [Brian.considine@wsgc.wa.gov](mailto:Brian.considine@wsgc.wa.gov) and [Ashlie.laydon@wsgc.wa.gov](mailto:Ashlie.laydon@wsgc.wa.gov)  
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Ashlie Laydon, Rules Coordinator  
Washington State Gambling Commission  
P.O. Box 42400  
Olympia, WA 98504

**Re: FanDuel Comments on “Proposed WSGC Sports Wagering DRAFT Rule Changes”**

Dear Manager Considine and Coordinator Laydon:

I write to provide comments on behalf of FanDuel Group, Inc. (“FanDuel”) regarding the Washington State Gambling Commission’s (“Commission”) “Proposed WSGC Sports Wagering DRAFT Rule Changes” (“Proposed Rules”). Based on our extensive experience as an operator in the sports betting industry and collaborator with regulators of sports betting in many states in the development of their regulations, we offer constructive feedback on ways in which the Proposed Rules can be improved for effectiveness and consistency with other state regulations.

Following the Supreme Court’s decision to strike down the Professional and Amateur Sports Protection Act (PASPA) in May of 2018, FanDuel has now become the leading sports wagering operator, and the largest online real-money gaming operator, in the United States. FanDuel currently operates sixteen (16) brick and mortar sportsbooks in nine (9) states and online sports wagering in ten (10) states. We appreciate the opportunity to share our perspective on sports betting regulation with you and have arranged our comments in three parts. Part I is focused on major issues of concern in the Proposed Rules that may significantly impact the ability of sports wagering operators to successfully operate in Washington. Part II is focused on areas in the Proposed Rules where adjustments can be made to improve the regulation and operation of sports wagering. Finally, Part III is focused on requests for clarification.

All changes will be shown as follows: proposed additional text will be bolded and underlined and all text to be deleted will be bracketed and struck through. For the sake of clarity, where we are suggesting changes to existing regulations that the Commission is also proposing changes, our additions will be shown in black, while Commission proposed changes will be shown in red.



## Part I - Major Concerns.

- *Issue 1 – Sports Wagering Vendor Representative Licensing.*

The Proposed Rules include three new rules (WAC 230-03-311, 312, and 313) which require sports wagering vendors to have their business and marketing representatives licensed. As we have worked with regulators on employee and key employee licensing in numerous jurisdictions, we have not seen such a requirement applied to sports wagering. While requirements vary by state, generally, the employees who may be required to be licensed fall into one of three buckets: 1) employees who interact directly with the public in a retail setting; 2) employees who have the ability to directly implement changes to the sports wagering system; and 3) employees who have access to customer personally identifiable information (PII). We have not seen requirements by regulators to license our business and marketing representatives. To address this concern, we suggest the following amendments:

“(NEW) WAC 230-03-311 Applying for a major sports wagering vendor [~~representative~~] employee license

You must apply for a major sports wagering [~~representative~~] employee license if you, as an individual, [~~sell, market, promote, represent, service, or otherwise work in~~] have the capability to directly affect the outcome of a sports wagering or the capability of directly affecting a payout to a patron related to any sports wagering activities under employment or contract to a major sports wagering vendor in our state or you supervise those who do.”

“(NEW) WAC 230-03-312 Applying for a mid-level sports wagering vendor [~~representative~~] employee license

You must apply for a mid-level sports wagering [~~representative~~] employee license if you, as an individual, [~~sell, market, promote, represent, service, or otherwise work in~~] have the capability to directly affect the outcome of a sports wagering or the capability of directly affecting a payout to a patron related to any sports wagering activities under employment or contract to a mid-level sports wagering vendor in our state or you supervise those who do.”

“(NEW) WAC 230-03-313 Applying for an ancillary sports wagering vendor [~~representative~~] employee license

You must apply for an ancillary sports wagering [~~representative~~] employee license if you as an individual [~~sell, market, promote, represent, service, or otherwise work in~~] have the capability to directly affect the outcome of a sports wagering or the capability of directly affecting a payout to a patron related to any sports wagering activities under employment or contract to an ancillary sports wagering vendor in our state or you supervise those who do.”

- *Issue 2 – Clarification to allow sports wagering vendor representatives/employees to work while license application is pending.*

The Proposed Rules include an update to WAC 230-03-335 which adds representatives of sports wagering vendors to the list of those individuals who may not work until they have received their license. We support the requirement to ensure employees are properly licensed in order to perform their duties. However, for sports wagering operations to get up and running expeditiously in order to be fully operational for the upcoming NFL season (which represents a disproportionate share of annual sports wagering handle and revenue in all other sports wagering jurisdictions), we suggest that the Commission provide a temporary exemption through the end of this year to allow for sports wagering employees to be allowed to work while their license applications are pending. To address this concern, we suggest the following amendment:

“WAC 230-03-335 Representatives must not work before receiving a license. If you are applying for a license as a representative or employee for a manufacturer, distributor, gambling services supplier, call centers for enhanced raffles, a sports wagering vendor, or linked bingo prize provider, you must not work until you receive a license from us. However, if you apply for a license as a representative of a sports wagering vendor prior to December 31, 2021, you may continue to perform the same duties you conducted prior to the effective date of this regulation during the pendency of your application for a license.”

- *Issue 3 – Accounting and recordkeeping requirements for sports wagering vendors.*

The Proposed Rules include three new rules (all numbered as WAC 230-17-xxx) related to accounting and recordkeeping requirements for sales by sports wagering vendors. These requirements are very detailed and appear to be drafted to ensure that vendors who are subject to state licensing fees based on volume of sales appropriately report their income in the state. However, it is our understanding of the draft rules that sports wagering vendors are intended to be subject to flat license fees based on the category of vendor, and not pay an additional license fee based on their volume of sales in the state. Since these detailed recordkeeping requirements are not necessary to support license fee assessment, and they appear to go beyond the requirements of other jurisdictions as it relates to sports wagering vendors, we suggest their removal as follows:

~~“(NEW) WAC 230-17-xxx Accounting records for sports wagering vendors  
Sports wagering vendors must keep and maintain a complete set of records for their licensed activity and include, at a minimum:~~

~~(1) Double entry method of accounting updated at least once a month, including a monthly balance for each account; and~~

~~(2) Maintain their records in accordance with generally accepted accounting principles and ensure the records can be reconciled to the licensee's federal income tax return; and~~

~~(3) Maintain and keep for at least three years following the end of the fiscal year:~~

~~(a) Cash disbursements book (check register) — Sports wagering vendors must document all expenses, both sports wagering and non-sports wagering related, with invoices or other appropriate supporting documents. They must enter information monthly and include, at least:~~

- ~~(i) The date the check was issued or payment made;~~
- ~~(ii) The number of the check; and~~
- ~~(iii) The name of the payee; and~~
- ~~(iv) Type of expense; and~~

~~(b) Cash receipts — Sports wagering vendors must keep a record of cash sales and cash received from all sources. They must enter information for each payment received monthly and include, at least, the:~~

- ~~(i) Date; and~~
- ~~(ii) Name of the person paying; and~~
- ~~(iii) Amount; and~~

~~(c) General ledger — Sports wagering vendors whose sports wagering related sales are greater than five hundred thousand dollars per year must have a general ledger which contains, in addition to all other accounts by month, a separate sales account for each type of sale; and~~

~~(d) Bank reconciliation — Sports wagering vendors must reconcile their accounts each month. "Reconcile" means the sports wagering vendors must compare the two balances, resolve any differences, and document the comparison and the differences in writing; and~~

~~(e) Copies of all financial data — Sports wagering vendors must keep copies of all financial data that supports tax reports to governmental agencies;~~

~~(j) Maintain copies of all contracts related to sports wagering they enter into which fully disclose all terms.~~

~~(NEW) WAC 230-17-XXX Sales invoices for sports wagering vendors~~

~~Sports wagering vendors must document each sale of equipment or services, any return or refund, or any other type of transfer of sports wagering equipment, with a standard sales invoice.~~

~~Sales invoices and credit memos — These invoices and credit memos must:~~

- ~~(1) Be prenumbered sequentially at the time of purchase, using not less than four digits. Sports Wagering vendors may use computer~~

~~generated numbering systems if:~~

- ~~(a) The system numbers the invoices and credit memos sequentially; and~~
- ~~(b) The sports wagering vendors use the same system for all sales; and~~
- ~~(c) The sports wagering vendors must not use a manual override function; and~~

~~(2) Record:~~

- ~~(a) The date of sale. Sports wagering vendors must also enter the date of delivery if different from the date of sale; and~~
- ~~(b) The customer's name and complete business address; and~~
- ~~(c) A full description of each item sold, or service provided, and~~
- ~~(d) The quantity and price of each item, and~~
- ~~(e) The gross amount of each sale, including all discount terms and the total dollar amount of any discount.~~

~~(NEW) WAC 230-17-xxx Sales journals for sports wagering vendors~~

~~Sports wagering vendors must keep a monthly sales journal containing, at least:~~

- ~~(1) Each date of sale; and~~
- ~~(2) Each sale invoice number; and~~
- ~~(3) The name of the person paying; and~~
- ~~(4) Sales categorized by the sports wagering goods, equipment or services sold; and~~
- ~~(5) The total amount of each invoice.]”~~

- *Issue 4 – Prevention of prohibited participants*

The Proposed Rules include a new rule (WAC 230-17-xxx – Sports Wagering Integrity (3)) which requires licensees to “make all reasonable efforts to detect and prevent prohibited sports wagering participants from participating in sports wagering.” While we appreciate the Commission’s decision to utilize a “reasonable effort” standard for this regulation, we believe this should be clarified to be a “commercially reasonable” standard. Such a standard has been adopted by multiple other jurisdictions including Colorado (Rule 7.11(2)(b)); Indiana (68 IAC 27-12-2(2)); and Virginia (11 VAC 5-80-70(2)). To address this concern, we suggest the following amendment:

*WAC 230-17-xxx Sports Wagering Integrity (3):*

“(3) Licensees must ~~[make all]~~ **take commercially** reasonable efforts to detect and prevent prohibited sports wagering participants from participating in sports wagering.”

- *Issue 5 – Requirement for sports wagering vendors to be licensed before the “sale” of a sports wagering system.*

The Proposed Rules include a new rule (WAC 230-17-xxx – Sports Wagering System Requirements) which provides that sports wagering vendors must be licensed before the “sale” or delivery of a sports wagering system to be used in Washington. We support the requirement to ensure vendors are properly licensed in order to perform their duties. However, for sports wagering operations to get up and running expeditiously in order to be fully operational for the upcoming NFL season (which represents a disproportionate share of annual sports wagering handle and revenue in all other sports wagering jurisdictions), we suggest that the Commission provide a temporary exemption through the end of this year to allow for sports wagering vendors be allowed to complete sales while their license applications are pending. To address this concern, we suggest the following amendment.

*WAC 230-17-xxx – Sports Wagering System Requirements:*

“(1) Sports wagering vendors must be licensed before the sale or delivery of a sports wagering system(s) to be used in our state. **However, if you apply for a license as a sports wagering vendor prior to December 31, 2021, you may conduct sales during the pendency of your application for a license.**”

- *Issue 6 – Server location and cloud storage requirements*

The Proposed Rules include a new rule which has two concerning provisions related to the operation of the sports wagering system (WAC 230-17-xxx – Sports Wagering System Requirements (8) and (9)). The first concern relates to the requirement in subdivision (8) which provides that “the primary server for a sports wagering system must be in the state and located within a class III tribal gaming facility.” We acknowledge the requirement for the placement of a server in the state as it relates to the conduct of mobile sports wagering, however, we would seek to be able to locate the server in a secure data center outside of the gaming facility. The second concern relates to the requirement in subdivision (9) that any cloud storage facilities must be located in the state. While mobile sports wagers must be processed within the state, other states have recognized that vendors and operators who are engaged in sports wagering in multiple jurisdictions utilize cloud-based solutions for data and that those cloud facilities are not required to be located within the state. To address these concerns, we suggest the following amendments:

*WAC 230-17-xxx – Sports Wagering System Requirements (8) and (9):*

“(8) The primary server for a sports wagering system must be in the state and located within a **secure data center** [~~Class III tribal gaming facility~~].

(9) Cloud storage for sports wagering data and information may be used for duplicate or backup data. [~~Cloud storage facilities must be located in the state.~~]”

- *Issue 7 – Requirement for “in-person” registration and verification of sports wagering accounts.*

The Proposed Rules include a new rule (WAC 230-17-xxx – Sports Wagering Account Requirements) which provides that patrons must have their accounts “registered and verified in-person at a tribal gaming facility” prior to customers being able to access their accounts. While this requirement may not seem onerous due to the fact that mobile sports wagering is geofenced to the tribal gaming facility, it will create an unnecessary burden on customers who will be required to appear in person and then wait on line to be personally verified by an employee of the operator. Only two states in the U.S. require in-person identity verification in order to create a sports wagering account (Illinois and Nevada) both of whom have considered eliminating the requirement. Additionally, Iowa and Rhode Island no longer have their in-person identity verification requirements. States have recognized that modern Know Your Customer (KYC) and identity verification procedures allow for patron identity verification to be completed successfully remotely and have abandoned the antiquated policy of requiring in-person identity verification. To address this concern, we suggest the following amendment:

*WAC 230-17-xxx Sports Wagering Account Requirements:*

“... (3) A sports wagering account must be registered and verified **[in-person at a tribal gaming facility]** before the acceptance of any wager using that Sports Wagering Account.”

## **Part II – Secondary Concerns.**

- *Issue 1 – Clarification that sports wagering vendors and sports wagering vendor representatives are not required to complete training.*

The Proposed Rules include an update to WAC 230-03-070(3) which adds “major sports wagering vendors” to the exception for required training that is already granted to “manufacturers” and “manufacturers’ representatives.” While we believe this change is warranted, we believe this exemption should be extended to all sports wagering vendors and all sports wagering vendor representatives in order to parallel the exemption for all manufacturers and all manufacturer representatives. To address this concern, we suggest the following amendment:

*WAC 230-03-070(3):*

“(3) We do not require manufacturers, ~~[or]~~ manufacturer’s representatives, ~~[or major]~~ **sports wagering vendors, or sports wagering vendor representatives** to complete training....”

- *Issue 2 – Clarification that “Minor League” does not include alternative professional leagues.*

The Proposed Rules include a new rule (WAC 230-17-005) which provides for the definitions of terms related to sports wagering. Included among the definitions is one for the term “Minor League” which appropriately defines “minor leagues.” However, a small clarification would be helpful to guard against any misinterpretation that may prevent wagering on a number of international sports teams, where an entire team may be promoted, or relegated, between

professional leagues based upon the performance of the entire team. As an example, English professional soccer leagues see this movement of an entire team without being classified as a “minor league” in the traditional sense that we may apply to single, double, or triple-A baseball teams for example. To address this concern, we suggest the following amendment:

WAC 230-17-005(6):

“(6) “Minor League” means a lower professional league or division within a sport, such as baseball or hockey, where a professional team has the exclusive contractual rights to promote and relegate players. **“Minor League” does not include professional leagues where entire teams of players may be promoted or relegated between leagues based upon the performance of the entire team.**”

- *Issue 3 – Requirement for “immediately” notify the Commission of violations and unusual or suspicious activity.*

The Proposed Rules include two new rules (WAC 230-17-xxx – Sports Wagering Integrity and WAC 230-17-xxx – Integrity Monitoring Provider Requirements) which include an “immediate” reporting standard for sports wagering vendors to reports suspected violations or regulations or statutes and unusual or suspicious wagering activity. Sports wagering vendors need to report this information in a timely manner to the Commission, however, creating an “immediate” reporting requirement does not allow the sports wagering vendor the flexibility to conduct an initial investigation which would provide the Commission with useful information in the report. Additionally, such initial investigation may resolve the underlying concern (especially in relation to unusual wagering activity) and prevent the overreporting of “false alarms.” This prompt reporting standard is similar to that required in Michigan (R432.743). To address this concern, we suggest the following amendments:

“(New) WAC 230-17-xxx Sports Wagering Integrity

(1) Sports wagering vendor and vendor representative licensees must **[immediately] promptly** notify us upon any discovery of a violation or of a suspected violation of RCW 9.46, this Chapter, or any violation of local, state, tribal, or federal ordinances, statutes, administrative rules or court orders.

...

(4) Licensees must **[immediately] promptly** notify us, in the format we require, when unusual wagering activity or suspicious wagering activity is identified, including changes with the status of, or information related to, a previously reported unusual or suspicious wagering activity.

(NEW) WAC 230-17-xxx Integrity Monitoring Provider Requirements

...

(3) Integrity Monitoring Providers must **[immediately] promptly** notify us when they identify unusual wagering activity or suspicious wagering activity.

(4) Integrity Monitoring Providers must [~~immediately~~] **promptly** notify us, and all other Integrity Monitoring Providers, sports wagering operators, and all other agencies or organizations as directed by us, on any previously reported unusual wagering activity it finds rises to the level of suspicious wagering activity.”

- ***Issue 4 – Requirement for responsible gaming “link” and deposit limits on sports wagering kiosks.***

The Proposed Rules include a new rule (WAC 230-17-xxx – Sports Wagering Systems (11)) which provides requirements related to responsible gaming resources within the sports wagering system and displayed on kiosks. We strongly support making responsible gaming resources, including wager and deposit limits available to sports wagering patrons. However, as written, this rule appears to impose a “one size fits all” requirement on both mobile sports wagering and retail sports wagering through the use of kiosks. The rule requires the display of a “link” to a sports wagering operator’s responsible gaming policies in the kiosk interface itself. Additionally, the rule requires kiosks to have solutions for patron wager and deposit limits. Sports wagering kiosks may or may not have the functionality to be linked to a patron’s sports wagering account and may be used by patrons who have not established a sports wagering account with the operator or patrons who do not wish to access their account on the kiosk. As such, the requirement to provide wager and deposit limits on the kiosk may not be appropriate in every situation. Additionally, the functionality of kiosks may not include sending a customer to an outside website containing the operator’s responsible gaming policies via a “link” and should be updated to allow operators to provide a URL where the patron can access the responsible gaming policies on their own device. To address these concerns, we suggest the following amendments:

*WAC 230-17-xxx – Sports Wagering Systems (11):*

“(11) sports wagering systems and sports wagering kiosks will, at a minimum, all for a display of commitment to responsible gaming and **URL or** link to the Class III tribal sports wagering operator’s responsible gaming policies. It will also have solutions for including, but not limited to: patron controlled wager and deposit limits (**if applicable**); and connecting players to problem gambling resources.”

- ***Issue 5 – Requirement to maintain reserve funds in federally regulated financial institutions who do business in Washington.***

The Proposed Rules include a new rule (WAC 230-17-xxx – Sports Wagering Account Requirements (5)) which requires licensees who maintain player account funds to hold them in a “federally regulated financial institution who does business in our state.” To provide greater flexibility to licensees, we suggest that player account funds should be allowed to be held at a state or federally regulated financial institution in the United States. To address this concern, we suggest the following amendment:



WAC 230-17-xxx – Sports Wagering Account Requirements:

“... (5) Licensees who maintain player account funds shall hold these funds at a federally or state regulated financial institution in the United States [~~who does business in our state~~].”

- *Issue 6 – clarification for use of single wallet across multiple products*

The Proposed Rules include a new rule (WAC 230-17-xxx – Sports Wagering Account Requirements (6)) which prohibits the transfer of funds held in a sports wagering account from one patron account to another patron account. We fully support the prohibition on transferring of funds from one patron to another. However, we would seek clarification to ensure that this provision is not interpreted to prevent the use of a unified account and wallet by patrons to access the funds while in a jurisdiction where sports betting or other products offered by the licensee are legal and the licensee is authorized to offer those products. To address this concern, we suggest the following amendment:

WAC 230-17-xxx – Sports Wagering Account Requirements:

“... (6) Player funds held in a sports wagering account shall not be allowed to be transferred from a patron account of one individual to another patron account of a different individual.”

### **Part III Requests for Clarification.**

- *Issue 1 – License fees for sports wagering vendors.*

The Proposed Rules include an update to WAC 230-05-170 to provide for the license fees for sports wagering vendors. As included in the chart it appears that the proposed license fees for sports wagering vendors are: \$85,000 for major; \$10,000 for mid-level; and \$5,000 for ancillary with no additional license fee based upon Gross Gambling Receipts. Can the Commission confirm this reading of the Proposed Rules?

\*\*\*\*\*

We appreciate your time and consideration of our comments and would be happy to discuss at your convenience.

Sincerely,



Cory Fox

Government Affairs and Product Counsel Vice President



**VIA EMAIL**

Brian Considine  
Legal and Legislative Manager  
Washington State Gambling Commission  
P.O. Box 42400  
Olympia, WA 98504

June 7, 2021

Re: Rush Street Interactive, L.P. – Comments to initial draft rules for sports wagering

Dear Mr. Considine:

On behalf of Rush Street Interactive, L.P. (“RSI”), we greatly appreciate the opportunity to provide comments to the Washington State Gambling Commission concerning the initial draft of proposed sports wagering rules.

Please accept our comments as follows:

**WAC 230-05-120 Paying annual license fee.**

We are seeking clarity that we can opt to make one payment annually for the annual license fee.

**WAC 230-06-030 Restrictions and conditions for gambling promotions.**

(9) We recommend adding a section to permit mobile sports wagering suppliers to offer promotional prizes based on chance, as they do in other jurisdictions. Our suggestion is: *(c) Licensed major sports wagering suppliers are authorized to give promotional prizes or items as part of a physical drawing, spinning a wheel, or selecting from a group of concealed items.*

**(NEW) WAC 230-17-xxx Accounting records for sports wagering vendors**

We are seeking clarification that while we need to maintain these records, we do not need submit them to WSGC. Should WSGC require any review of these records, we would ask for advance notice of such review and expectation.

**(NEW) WAC 230-17-xxx Authorized Sports Wagering Menu**

We believe that a statewide menu like this is always ideal. How will new event/sport approvals be handled? Will there be a licensee request process?



**(New) WAC 230-17-xxx Sports Wagering Integrity**

(6) In other jurisdictions, system access is provided to the regulators, not the integrity monitoring service. We recommend that WSGC take the same approach.

**(NEW) WAC 230-17-xxx Sports Wagering System Requirements**

(3) Recommend deleting “, approved,”. This is redundant with the requirement of certification.

(12) We seek clarification of the requirement to provide sports wagering system software to the WSGC that “must be identical or substantially similar to what is deployed in the state”. Please clarify that access to a non-production environment would be sufficient to comply with this requirement.

We would be pleased to discuss these comments or answer any questions you may have. I can be reached at: 312-915-2801 or [lcx@rushstreetinteractive.com](mailto:lcx@rushstreetinteractive.com).

Sincerely,

*Laura McAllister Cox*

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Laura McAllister Cox  
Chief Compliance Officer

**From:** [john@corridorcd.com](mailto:john@corridorcd.com)  
**To:** [Considine, Brian \(GMB\)](#); [Laydon, Ashlie \(GMB\)](#)  
**Cc:** ["Jonathan Michaels"](#)  
**Subject:** Comment on WA State Sports Regulation  
**Date:** Thursday, June 3, 2021 10:29:10 AM  
**Attachments:** [image003.png](#)  
[INDIANA APPROVED PAYMENT METHODS.docx](#)

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External Email

Brian and Ashlie – Thank you for the opportunity to provide feedback on the proposed sports wagering regulations released by your office on May 27<sup>th</sup>. I am reaching out to you on behalf of Sightline Payments a premiere payments solution provider for the digital and land based gaming industries. CC'd on this email is Jonathan Michaels, SVP of Strategic Developments and Government Affairs at Sightline. His team's expertise is relied on by regulators throughout the U.S., and they work closely with many of the leading sportsbook operators. We hope you will consider Sightline a resource to the WSGC on all matters related to the payments ecosystem.

With respect to the proposed rules we are requesting that the regulation includes defined payment methods for sports bettors, along with regulator flexibility to approve innovative payment solutions as the market evolves. Currently, under *230-17-005 Sports Wagering Definitions* the draft rules define "Sports Wagering Account" as "an electronic account established by a patron for the purpose of sports wagering, including deposits, withdrawals, wagered amounts, payouts on winning wagers, or similar adjustments." We would recommend adding this language to define payment methods that would be acceptable.

**A patron's sports wagering account for sports wagering may be funded through the use of:**

- 1) a patron's credit or debit card;**
- 2) a patron's deposit of cash or vouchers at a cashiering location approved by the executive director or executive director's designee;**
- 3) a patron's reloadable prepaid card, which has been verified as being issued to the patron and is nontransferable;**
- 4) promotional credit;**
- 5) winnings;**
- 6) adjustments made by the sports wagering operator with documented notification to the patron;**
- 7) ACH transfer, provided that the operator has security measures and controls to prevent ACH fraud regarding failed ACH deposits;**
- 8) wire transfer; or**
- 9) any other means approved by the commission.**

This is regulatory language we have seen in other jurisdictions. Attached is a summary of Indiana's sports wagering rules on payments for you to see as a good example of what state regulators have approved within their rules and regulations.

If you have any questions about this comment, or would like to schedule a time to discuss further, we would be happy to connect. The team at Sightline are happy to be a resource to you!

Appreciate your willingness to get input from industry.

Regards,

John A. Pappas  
c. 202-870-7777  
[www.corridordc.com](http://www.corridordc.com)



## INDIANA APPROVED PAYMENT METHODS

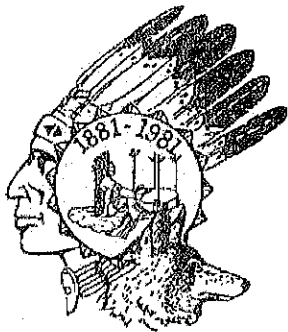
### Sports Wagering Accounts

"Sports wagering account" means an account established by a sports wagering operator for an individual patron to use for online sports wagering. 68 Ind. Admin. Code 20-448(E) ch. 1, § 22.

A patron sports wagering account required for credit or debit card wagering. A patron may only place a wager via credit or debit card, whether the patron places the wager at a sports wagering lounge, sports wagering kiosk, online, or by a mobile device, if the patron has a sports wagering account with the sports wagering operator. 68 Ind. Admin. Code 20-448(E) ch. 7, § 6.

A patron's sports wagering account for sports wagering may be funded through the use of:

- 1) a patron's credit or debit card;
- 2) a patron's deposit of cash or vouchers at a cashiering location approved by the executive director or executive director's designee;
- 3) a patron's reloadable prepaid card, which has been verified as being issued to the patron and is nontransferable;
- 4) promotional credit;
- 5) winnings;
- 6) adjustments made by the sports wagering operator with documented notification to the patron;
- 7) ACH transfer, provided that the operator has security measures and controls to prevent ACH fraud regarding failed ACH deposits;
- 8) wire transfer; or
- 9) any other means approved by the commission.



## SPOKANE TRIBAL BUSINESS COUNCIL

PO Box 100, Wellpinit, WA 99040

June 22, 2021

Tina Griffin  
Interim Director  
Washington State Gambling Commission  
P.O. Box 42400  
Olympia, WA 98504

Dear Ms. Griffin:

On behalf of the Spokane Tribal Business Council, thank you for the opportunity to provide these comments on the draft sports wagering rules presented at the Washington State Gambling Commission's (WSGC) meeting on Thursday, June 10. For the reasons set forth herein, the Spokane Tribe is concerned that WSGC's draft rules improperly circumvent our co-regulatory relationship under the Indian Gaming Regulatory Act ("IGRA") and our gaming compact with the State of Washington.

As a preliminary matter, we are concerned that the draft rules were not made available to us in time to allow for a thoughtful review and discussion. Moving forward, we request timely notice of agency rulemaking that is directly related to STOI gaming activities.

As to the substance of the draft sports wagering rules, the Tribe has several concerns. Under IGRA, the co-regulatory relationship between the State of Washington and tribes is governed by the Class III gaming compacts. As fully recognized by section 2 of HB 2638, the operation of sports wagering on tribal lands is a feature of the compacts (which are negotiated between the State and tribes), not a feature of state rule (which is adopted as a unilateral action of the State). We appreciate this is the first time there has been legislation authorizing a tribal only activity, but that does not change the fact that IGRA—and therefore the compacts—are what govern the conduct and operation of the gaming activity.

While HB 2638 gave WSGC rulemaking authority over licensing (or more appropriately, certification), it did not give, nor would IGRA allow it to give, WSGC rulemaking authority over Tribal gaming activities *conducted on Spokane Indian lands*. Accordingly, I respectfully request that draft rule section 230-17 be removed in its entirety. That section is largely a restatement of what is already in compact, and that is where it should stay.

We acknowledge that HB 2638 authorizes WSGC to track and monitor certain transactions, require certain reports, and the like. However, those issues were discussed at the compact negotiation table, and we are frustrated that WSGC is taking a second bite at the apple by requiring certain reports and

documents *by rule* that the WSGC had already agreed would be handled *by compact* and internal controls. Any concern for WSGC to take action against our vendors for their failure to follow our compacts can be better addressed by including a catchall provision in the rules that says that. That is far more effective, efficient, and appropriate than restating tribal compacts in WSGC rules.

Next, we join the torrent of tribes and vendors who object to the proposed licensing fee structure. Sports wagering will be a minor financial addition to the Tribe's Class III gaming offerings. However, the proposed fee for major vendors is more than three times what TLS vendors currently pay. Excessive vendor certification fees lead to one of two outcomes: (1) the fee is passed on to the tribes (a de facto illegal tax on Class III tribal gaming revenues), or (2) the fee is not passed on to the tribes, and - as some vendors have already pointed out - vendors are dissuaded from participating in the Washington market at all. This is especially true here, for an on-premises only game, and even truer at smaller properties. Instead, WSGC should approach sports wagering vendors the same way the agency has approached other gaming vendors in the past: a more appropriate fee combined with special investigative fees as needed to address unique costs of investigating certain vendors.

Finally, we join in the Suquamish Tribe's comments to the draft rules, and we concur with the comments submitted by the Washington Indian Gaming Association.

Respectfully,



Carol Evans  
Chairwoman

Cc: Brian Considine, Legal and Legislative Manager  
Ashlie Laydon, Rules Coordinator



**From:** [John Pauley](#)  
**To:** [Considine, Brian \(GMB\)](#); [Laydon, Ashlie \(GMB\)](#)  
**Cc:** [Brandt Iden](#); [Daniel Lobo Guerrero](#); [Niki Metzgar-Schall](#)  
**Subject:** Re: Sports Wagering Draft Rules for Comment  
**Date:** Monday, June 7, 2021 2:21:12 PM  
**Attachments:** [image002.png](#)  
[image004.png](#)  
[Supplier License - Model Language \(stakeholder approved\).pdf](#)

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External Email

Hi Brian,

Our team at Sportradar thanks you for all your efforts as you continue the monumental task of launching sports betting in Washington. Although we did not have any edits or suggestions to submit by this morning, we have some clarifying questions that would likely apply to all vendors, especially mid-level sports wagering vendor licensees.

Our clarifying questions mainly focus on the quarterly license reports and fees, specifically:

- Will mid-level vendors be able to submit one comprehensive quarterly report/fee that covers total gross gaming revenue derived from services supplied to all WA bookmaking customers? Or will mid-level vendors need to submit individual quarterly reports/fees for each bookmaking customer we supply to in WA?
- Does the calculation of quarterly reports/fees apply to both fixed-fee and revenue-sharing agreements that mid-level vendors execute? If fixed-fee agreements also apply, will there be any changes in how to calculate total quarterly fees owed?

Lastly, we are hoping to clarify which data suppliers are captured under the mid-level vendor license. There are two main ways to supply data into a market, either **(1) the direct route**: supplying to B2Cs such as DraftKings or FanDuel, or **(2) the indirect route**: supplying to B2B platforms such as Kambi, IGT, or SciGames. While we believe both supply chain routes should be captured and require a mid-level vendor license, we have noticed some jurisdictions exempting the latter option completely in certain cases. Since data is the critical component that powers the entire betting operation, we raise this concern as a matter of licensure equity amongst existing and future data suppliers.

As a resource for you, I've attached our model supplier language that addresses both supply chain routes (found under the definition of a *sports betting supplier*). Although this model language is more for statutory purposes, we welcome the opportunity to walk you through these licensure equity concerns and how the WSGC can ensure all entities involved in the data supply chain are captured and licensed accordingly.

Again, we appreciate your efforts and transparency throughout this entire process. Our team remains open to further dialogue at your convenience.

Kind regards,  
John

**John Pauley**

Government Affairs Manager

**SPORTRADAR GROUP**

mobile: +1 (636) 541-4431

e-mail: [j.pauley@sportradar.com](mailto:j.pauley@sportradar.com)

[www.sportradar.com](http://www.sportradar.com)

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

**Sent:** Thursday, May 27, 2021 3:22 PM

**Cc:** Griffin, Tina (GMB) <[tina.griffin@wsgc.wa.gov](mailto:tina.griffin@wsgc.wa.gov)>; Becker, Suzanne (ATG) <[suzanne.becker@atg.wa.gov](mailto:suzanne.becker@atg.wa.gov)>; Sizemore, Bud (GMB) <[bud.sizemore@wsgc.wa.gov](mailto:bud.sizemore@wsgc.wa.gov)>; Laydon, Ashlie (GMB) <[ashlie.laydon@wsgc.wa.gov](mailto:ashlie.laydon@wsgc.wa.gov)>; James, Sharon M. (ATG) <[sharon.james@atg.wa.gov](mailto:sharon.james@atg.wa.gov)>; Lies, Julie (GMB) <[julie.lies@wsgc.wa.gov](mailto:julie.lies@wsgc.wa.gov)>

**Subject:** Sports Wagering Draft Rules for Comment

**CAUTION:** This email originates from outside of your organization. This message might not be safe, use caution opening it. If you find this e-mail suspicious, do not open attachments nor links and forward the mail to [securityreport](mailto:securityreport).

Hello,

You are receiving this email because the Washington State Gambling Commission (WSGC) has identified you and/or your organization as a stakeholder for our sports wagering rule-making.

Please find the attached draft proposed sports wagering rules. These are initial draft rules by Commission staff and we are still having these reviewed by our attorneys and agency leadership before we send them to our Commissioners at our June 10, 2021 public meeting. Therefore, we could have additional internal changes prior to the meeting.

However, we seek your input at this time and please provide any questions, comments or suggested edits to me ([Brian.considine@wsgc.wa.gov](mailto:Brian.considine@wsgc.wa.gov)) and our Rules Coordinator Ashlie Laydon ([Ashlie.laydon@wsgc.wa.gov](mailto:Ashlie.laydon@wsgc.wa.gov)) **by Monday, June 7, 2021 at 8am pacific time.**

WSGC staff will review any comments, questions, or suggested edits, if submitted by the above-referenced deadline, for our June 10<sup>th</sup> public meeting. However, you are allowed and encouraged to comments during the entirety of this rule-making process, as needed. All written comments will become part of the official agency rule-making file.

Additionally, you are welcome to attend the agency's [June 10, 2021](#) public meeting and provide public comment during this public meeting. Please monitor our [public meeting webpage](#) as the call-in information and agenda will be posted about one week before our meeting.

Lastly, Commission Staff will recommend that the Commissioners hold a special meeting on or around July 28, 2021 for the Commissioners to review and approve final sports wagering rules to go into effect on or around August 30, 2021.

Please contact me if you have any questions about this process.

Sincerely,

Brian

**Brian J. Considine**  
Legal and Legislative Manager  
Washington State Gambling Commission  
(360) 486-3469 (office)  
(360) 485-8921 (mobile)  
[Brian.considine@wsgc.wa.gov](mailto:Brian.considine@wsgc.wa.gov)



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## Definitions

*"Sports betting supplier"* means a person that provides services, goods, software, or other components necessary for the creation of betting markets and determining bet outcomes, directly or indirectly to any license holder or applicant involved in the acceptance of bets. Examples include, but are not limited to providers of data feeds and odds services, internet platform providers, risk management providers, integrity monitoring providers, and other providers of sports betting supplier services as determined by the [regulator]. A sports governing body that provides raw statistical match data to one or more designated and licensed providers of data and odds services shall not be a sports betting supplier.

*"Sports betting supplier license"* means a license issued by the [regulator] to a sports betting supplier.

## Sec. X Sports Betting Supplier License

(1) The [regulator] may issue a sports betting supplier license to a sports betting supplier. A person that is not licensed under this section shall not sell, lease, distribute, offer, or otherwise provide services, goods, software, or other components necessary for the creation of betting markets and determining bet outcomes, directly or indirectly to any license holder or applicant involved in the acceptance of bets, except that an interactive sports wagering operator shall not be required to obtain a separate sports betting supplier license in order to act as a sports betting supplier. A supplier must be licensed under this section if providing supplier services under a fixed-fee or revenue-sharing agreement.

(2) On application by an interested person, the [regulator] may issue a provisional sports betting supplier license to an applicant for a sports betting supplier license. A provisional license issued under this subsection allows the applicant for the sports betting supplier license to conduct business regarding the operation of sports betting with a license holder or applicant before the sports betting supplier license is issued. A provisional license issued under this subsection expires on the date provided by the [regulator].

(3) A person may apply to the [regulator] for a sports betting supplier license as provided in this act and the rules promulgated under this act.

(4) Except as otherwise provided in this section, an application under this section must be made on forms provided by the [regulator] and include the information required by the [regulator].

(5) The [regulator] shall require applicants to disclose the identity of (a) the applicant's principal owners who directly own five percent or more of the applicant; (b) each holding, intermediary or parent company that directly owns fifteen percent or more of the applicant; and (c) the applicant's board appointed CEO and CFO. The [regulator] shall have the authority to waive any or all qualification requirements for any person or entity in this subsection.

(6) Legislatively created entities such as sovereign entities, government entities, government agencies, pension investment boards, and public corporations, that are direct or indirect shareholders of the applicant, shall be waived from any information disclosure requests in connection to the license application as determined by the [regulator].

(7) Investment funds or entities registered with the Securities and Exchange Commission, whether as Investment Advisors or otherwise, as well as the entities under the management of such entities registered with the Securities and Exchange Commission, that are direct or indirect shareholders of the applicant, shall be waived from any information disclosure requests in connection to the license application as determined by the [regulator].

(8) In no scenario shall a person holding a sports betting supplier license or a temporary sports betting supplier license be subject to, or required to obtain, any additional license to offer the services under this section.

**From:** [Rion Ramirez](#)  
**To:** [Considine, Brian \(GMB\)](#); [Laydon, Ashlie \(GMB\)](#)  
**Cc:** [Griffin, Tina \(GMB\)](#); [Becker, Suzanne \(ATG\)](#); [Sizemore, Bud \(GMB\)](#); [James, Sharon M. \(ATG\)](#); [Lies, Julie \(GMB\)](#); [Tim Woolsey \(twoolsey@suquamish.nsn.us\)](#); [Devon Tiam](#); [Masse, Chris](#); [Jones, Brie Coyle](#); [Ramirez, Rion](#)  
**Subject:** RE: Sports Wagering Draft Rules for Comment  
**Date:** Monday, June 7, 2021 10:06:36 AM  
**Attachments:** [image007.png](#)  
[image008.png](#)  
[image009.png](#)  
[image010.png](#)  
[image011.png](#)  
[image012.png](#)  
[image013.png](#)  
[image014.png](#)  
[image016.png](#)  
[image018.png](#)  
[DRAFT-Rules-Stakeholder.docx](#)

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External Email

Dear Brian and Ashlie:

On behalf of the Suquamish Tribe, I write today to offer comments to the proposed draft sports wagering rules in advance of the upcoming Washington State Gambling Commission (“WSGC”) meeting. Attached is a redline of our recommended revisions, but I did want to highlight a few themes of concern that we had after reviewing the proposed draft.

First, the draft rules—and in particular, 230-17, Proposed Sports Wagering Rules—misunderstand the role (or lack thereof) of state regulations in the larger context of the Indian Gaming Regulatory Act (“IGRA”) and the tribes’ relationship with the state. State adopted rules cannot govern *tribal gaming activities*; rather, the co-regulatory relationship between the state and tribes is governed by the Class III gaming compacts, and supplemented by tribal ordinances and other tribal regulations. *See* 25 U.S.C. § 2710(d). The only appropriate purpose of state gaming regulations rules would be the certification of *tribal gaming vendors*.

This distinction is recognized by HB 2638, which as you know, authorized tribes to engage in sports wagering on Indian lands pursuant to their gaming compacts. Consistent with IGRA, the bill directed that the Commission’s five pillars (licensing; fees associated with the gambling commission's regulation of sports wagering; how sports wagering will be conducted, operated, and regulated; issues related to criminal enforcement, including money laundering, sport integrity, and information sharing between the commission and the tribe related to such enforcement; and responsible and problem gambling) be included *in those compacts*. The bill also confirmed that the Commission had authority to engage in rulemaking to issue licenses to sports wagering vendors. HB 2638 does not give the WSGC rulemaking authority over the activity of sports wagering on Indian lands. It gives the WSGC the authority to determine whether someone is qualified to be a vendor for sports wagering.

We acknowledge that section 7(6) of the bill gives the WSGC the authority to track and monitor gambling-related sports wagering transactions; however this authority is tied to WSGC’s enforcement of criminal laws related to suspicious or illegal wagering activities. Some of the obligations these draft rules purport to put on all vendors—not just those with access to integrity-related data—and the data WSGC is requesting goes beyond that purview

and would impose obligations on our vendors that are not market standard. Further, the proposed rules conflate licensees with operators. *See e.g.*, New WAC 230-17-xxx Sports Wagering Integrity at p. 9 (“Licensees must make all reasonable efforts to detect and prevent prohibited sports wagering participants from participating in sports wagering.”). Licensees will not be stopping people from betting. We, the tribal operators, will. And we are not licensees; instead, our relationship is governed by the compacts.

Not only does the approach in the draft rules conflict with IGRA, but it ignores the extensive negotiations and compromise we have engaged in to reach tentative agreement on our compact. For the last year, we have engaged in negotiations to ensure that the gaming compact covers all five pillars noted above in a way that works for the state and the tribes. We were therefore both surprised and disappointed to see much of what we already covered in the compacts reflected—unnecessarily, inappropriately, and in some cases, inconsistently—in the draft rules. For example, we agreed to deal with information sharing matters in our internal controls; yet these draft rules force our vendors to provide WSGC information that WSGC requests, irrespective of whether the data is even theirs or whether WSGC’s request comports with the parameters established in the compact or the internal controls. The result is an end-run around our compact negotiations and collaborative process. The compact and our internal controls are a negotiated set of documents; WSGC’s regulations are completely in WSGC’s purview.

Lastly, I would be remiss if I did not point out our concerns with the amounts of the proposed license fees. As you know, sports wagering here in Washington will be on an extremely limited, on-premises only basis. This means that, especially for the smaller properties, sports wagering will not be a particularly lucrative game. To charge our vendors more than three times the current highest vendor fee in the state is wholly out of line with the value of the activity. Moreover, a vendor’s supply chain could include multiple participants at the major, mid, and ancillary levels. If licensing is cost prohibitive, reputable vendors will take a pass on Washington. Please consider addressing these vendors like the other tribal licensees that WSGC certifies, where they pay an annual amount, plus any special investigative fees WSGC incurs. That way, WSGC can be sure that its costs, especially when higher in that first year, are covered, while at the same time making clear that these fees do not indicate the WSGC’s entry into improper tribal tax territory.



We may have additional comments depending on the final draft you consider on Thursday, but I wanted to provide you these preliminary comments ahead of the June WSGC meeting.

Thank you,

**Rion Ramirez**  
Chief Executive Officer



15347 Suquamish Way NE  
Suquamish, WA 98392

 **360-598-8711**  
 **360-710-0733**



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**From:** Considine, Brian (GMB) <brian.considine@wsgc.wa.gov>

**Sent:** Thursday, May 27, 2021 12:22 PM

**Cc:** Griffin, Tina (GMB) <tina.griffin@wsgc.wa.gov>; Becker, Suzanne (ATG) <suzanne.becker@atg.wa.gov>; Sizemore, Bud (GMB) <bud.sizemore@wsgc.wa.gov>; Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>; James, Sharon M. (ATG) <sharon.james@atg.wa.gov>; Lies, Julie (GMB) <julie.lies@wsgc.wa.gov>

**Subject:** Sports Wagering Draft Rules for Comment

**Importance:** High

**\*\*\* This is from an external sender \*\*\***

Hello,

You are receiving this email because the Washington State Gambling Commission (WSGC) has identified you and/or your organization as a stakeholder for our sports wagering rule-making.

Please find the attached draft proposed sports wagering rules. These are initial draft rules by Commission staff and we are still having these reviewed by our attorneys and agency leadership before we send them to our Commissioners at our June 10, 2021 public meeting. Therefore, we could have additional internal changes prior to the meeting.

However, we seek your input at this time and please provide any questions, comments or suggested edits to me ([Brian.considine@wsgc.wa.gov](mailto:Brian.considine@wsgc.wa.gov)) and our Rules Coordinator Ashlie Laydon ([Ashlie.laydon@wsgc.wa.gov](mailto:Ashlie.laydon@wsgc.wa.gov)) **by Monday, June 7, 2021 at 8am pacific time.**

WSGC staff will review any comments, questions, or suggested edits, if submitted by the above-referenced deadline, for our June 10<sup>th</sup> public meeting. However, you are allowed and encouraged to comments during the entirety of this rule-making process, as needed. All written comments will become part of the official agency rule-making file.

Additionally, you are welcome to attend the agency's [June 10, 2021](#) public meeting and provide public comment during this public meeting. Please monitor our [public meeting webpage](#) as the call-in information and agenda will be posted about one week before our meeting.

Lastly, Commission Staff will recommend that the Commissioners hold a special meeting on or around July 28, 2021 for the Commissioners to review and approve final sports wagering rules to go into effect on or around August 30, 2021.

Please contact me if you have any questions about this process.

Sincerely,

Brian

Brian J. Considine  
Legal and Legislative Manager  
Washington State Gambling Commission  
(360) 486-3469 (office)  
(360) 485-8921 (mobile)  
[Brian.considine@wsgc.wa.gov](mailto:Brian.considine@wsgc.wa.gov)



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**Proposed WSGC Sports Wagering  
DRAFT Rule Changes  
(5/28/2021)**

Proposed changes to existing rules are noted in WAC 230-03; WAC 230-05; and WAC 230-06 and WAC 230-17. New rule sections are identified as "(NEW)." Otherwise, changes are amendments to rules that already exist.

Current rules in WAC 230-17 will be moved to a new sub-chapter and this sub-chapter will contain new sports wagering rules.

The tradeshow rule currently found in WAC 230-16, manufacturers and distributors, is moved to WAC 230-06 to allow for it to include sports wagering vendors.

## WAC 230-03 Proposed Rule Changes

**WAC 230-03-035 Applying for a license.** (1) You must fully complete the license application form we provide in order to be considered for a license. You must submit it with the appropriate fees online in the manner we require, or return it, along with the appropriate fees, to our headquarters.

(2) If your application is incomplete, you must provide us with the required items within thirty days of notification or we may administratively close the application.

(3) Applicants for a new organization license or permit will submit the base license fee for each authorized activity they are applying for with their application.

(4) Applicants for a new individual license will submit the new application fee they are applying for with their application.

[Statutory Authority: RCW 9.46.070. WSR 18-05-026, § 230-03-035, filed 2/9/18, effective 5/1/18; WSR 06-07-157 (Order 457), § 230-03-035, filed 3/22/06, effective 1/1/08.]

**WAC 230-03-040 Signing the application.** The applicant signs the application under oath and under penalty of perjury under the laws of the state of Washington. This oath affirms

## WAC 230-03 Proposed Rule Changes

that the information on the application and any accompanying materials is accurate and complete.

(1) The person signing the application must be:

(a) The highest ranking officer, or their designee, of a charitable, nonprofit, or profit-seeking corporation, or limited liability company seeking licensure; or

(b) The owner of a sole proprietorship seeking licensure;  
or

(c) All partners of a partnership or general partner of a limited partnership seeking licensure.

(2) The person seeking an individual license and a designated officer of the organization for which the person will work must both sign the application.

[Statutory Authority: RCW 9.46.070. WSR 07-21-116 (Order 617), § 230-03-040, filed 10/22/07, effective 1/1/08; WSR 06-07-157 (Order 457), § 230-03-040, filed 3/22/06, effective 1/1/08.]

### **WAC 230-03-045 Defining substantial interest holder. (1)**

"Substantial interest holder" means a person who has actual or potential influence over the management or operation of any organization, association, or other business entity.

## WAC 230-03 Proposed Rule Changes

(2) Evidence of substantial interest may include, but is not limited to:

(a) Directly or indirectly owning, operating, managing, or controlling an entity or any part of an entity; or

(b) Directly or indirectly profiting from an entity or assuming liability for debts or expenditures of the entity; or

(c) Being an officer or director or managing member of an entity; or

(d) Owning ten percent or more of any class of stock in a privately or closely held corporation; or

(e) Owning five percent or more of any class of stock in a publicly traded corporation; or

(f) Owning ten percent or more of the membership shares/units in a privately or closely held limited liability company; or

(g) Owning five percent or more of the membership shares/units in a publicly traded limited liability company; or

(h) Providing ten percent or more of cash, goods, or services for the start up of operations or the continuing operation of the business during any calendar year or fiscal

## WAC 230-03 Proposed Rule Changes

year. To calculate ten percent of cash, goods, or services, take the operational expenses of the business over the past calendar or fiscal year, less depreciation and amortization expenses, and multiply that number by ten percent; or

(i) Receiving, directly or indirectly, a salary, commission, royalties, or other form of compensation based on the gambling receipts.

(3) Spouses of officers of charitable or nonprofit organizations and spouses of officers or board members of publicly traded entities or subsidiaries of publicly traded entities are not considered substantial interest holders, unless there is evidence to the contrary. If so, then an investigation will be conducted to determine if they qualify as a substantial interest holder.

~~(4) Spouses of officers, owners, or shareholders owning ten percent or more of the organization's shares of a sports wagering organization are not considered substantial interest holders, unless there is evidence to the contrary. If so, then an investigation will be conducted to determine if they qualify as a substantial interest holder.~~

**Commented [A1]:** Section 6.4 of Appendix S precludes licensing spouses of Principals.

## WAC 230-03 Proposed Rule Changes

[Statutory Authority: RCW 9.46.070. WSR 13-09-048 (Order 687), § 230-03-045, filed 4/15/13, effective 5/16/13; WSR 06-07-157 (Order 457), § 230-03-045, filed 3/22/06, effective 1/1/08.]

**WAC 230-03-060 Fingerprinting.** (1) The following persons must submit fingerprints and undergo a national criminal history background check:

(a) Substantial interest holders of commercial businesses and charitable or nonprofit organizations who live or have lived out of the state in the last ten years; and

(b) Card room employees, commercial and nonprofit gambling managers, and manufacturer, distributor, service supplier, call centers for enhanced raffles, ~~and~~ linked bingo prize provider, and sports wagering vendor representatives; and

(c) Any other substantial interest holder when we have information they may not be qualified for licensure or to participate in a gambling activity.

(2) Recreational gaming activity and agricultural fair permit holders do not need to submit fingerprints.

[Statutory Authority: RCW 9.46.070. WSR 18-05-026, § 230-03-060, filed 2/9/18, effective 5/1/18. Statutory Authority: RCW

## WAC 230-03 Proposed Rule Changes

9.46.070 and 9.46.0209. WSR 13-19-056 (Order 692), § 230-03-060, filed 9/16/13, effective 10/17/13. Statutory Authority: RCW 9.46.070(7). WSR 13-17-018 (Order 690), § 230-03-060, filed 8/9/13, effective 9/9/13. Statutory Authority: RCW 9.46.070. WSR 06-07-157 (Order 457), § 230-03-060, filed 3/22/06, effective 1/1/08.]

### **WAC 230-03-065 Spouses must also be qualified. (1)**

Applicants' spouses must also meet the qualifications to hold a gambling license when married persons who maintain a marital community apply for or hold a license to operate gambling activities. This includes, but is not limited to, owners and substantial interest holders of commercial gambling establishments.

(2) If you are a licensed employee of a gambling operation, officer of a charitable or nonprofit organization, or an officer or a board member of a publicly traded entity or subsidiary of a publicly traded entity, your spouse does not need to meet the licensing qualifications, unless they are deemed to be a substantial interest holder.

WAC 230-03 Proposed Rule Changes

(3) Spouses of owners and substantial interest holders of a sports wagering organization are not considered substantial interest holders, unless there is evidence to the contrary.

**Commented [A2]:** Section 6.4 of Appendix S precludes licensing spouses of Principals.

[Statutory Authority: RCW 9.46.070. WSR 13-09-048 (Order 687), § 230-03-065, filed 4/15/13, effective 5/16/13; WSR 06-07-157 (Order 457), § 230-03-065, filed 3/22/06, effective 1/1/08.]

**WAC 230-03-070 Training required for licensing.** (1) You

must complete a training course we establish if you:

- (a) Signed the licensing application; or
- (b) Are a manager; or
- (c) Are responsible for conducting gambling activities or

completing records.

(2) You must complete training within thirty days of the effective date of your license.

(3) We do not require manufacturers, ~~or~~ manufacturers' representatives, or major sports wagering vendors to complete training. However, all licensees are expected to know and follow all rules upon receiving your license.



## WAC 230-03 Proposed Rule Changes

[Statutory Authority: RCW 9.46.070. WSR 06-07-157 (Order 457), § 230-03-070, filed 3/22/06, effective 1/1/08.]

**WAC 230-03-075 Withdrawing your application.** (1) You may withdraw your license application for any reason by sending written or electronic mail notice to us. We must receive your written request at our headquarters office before we issue or deny the license.

(2) Withdrawing an application will not affect any future application for a license.

[Statutory Authority: RCW 9.46.070. WSR 06-07-157 (Order 457), § 230-03-075, filed 3/22/06, effective 1/1/08.]

**WAC 230-03-195 Additional information required from manufacturer, distributor and sports wagering vendor license applicants.** If you are applying for a manufacturer, ~~or~~ distributor, or a sports wagering vendor license, you must attach the following to your application form or submit the following in the manner we require:

(1) A list of all businesses or corporations which you, or officers, directors, or substantial interest holders of your

## WAC 230-03 Proposed Rule Changes

business, either directly or indirectly, own or control as a substantial interest holder; and

(2) A list of all businesses or corporations licensed to conduct gambling activities or to supply gambling-related equipment, supplies, or services in which you, officers, directors, or substantial interest holders of your business have any interest; and

(3) A list of all jurisdictions in which you or any of the officers, directors, or substantial interest holders of your business have had a gambling-related license at any level during the previous ten years; and

(4) A statement about whether you, or officers, directors, or substantial interest holders have ever been part of a business that had a gambling-related license denied, revoked, or suspended by any jurisdiction for a period longer than thirty days.

[Statutory Authority: RCW 9.46.070. WSR 06-07-157 (Order 457), § 230-03-195, filed 3/22/06, effective 1/1/08.]

## WAC 230-03 Proposed Rule Changes

### (NEW) WAC 230-03-xxx Additional information required for sports wagering vendors.

Sports wagering vendor applicants must provide contracts and agreements, ~~or proposed contracts or agreements,~~ with any ~~third parties~~ other vendors that are part of their sport wagering offerings in the state ~~and relate to the applicant's or a third party~~ the vendor's sports wagering equipment, goods, services, and information for review for compliance with Title 230 WAC and chapter 9.46 RCW. ~~Contracts or agreements to be provided for review will relate to the applicant's or a third party vendor's sports wagering equipment, goods, services, and information.~~ Provided, however, that nothing in this rule requires a sports wagering vendor to provide its contracts or agreements with a federally recognized Indian tribe.]

#### WAC 230-03-200 Defining "gambling equipment." "Gambling

equipment" means any device, gambling-related software, expendable supply, or any other paraphernalia used as a part of gambling or to make gambling possible. "Gambling equipment" includes, but is not limited to:

- (1) Amusement games;
- (2) Punch boards and pull-tabs;

**Commented [A3]:** Our strong preference is that this draft rule is deleted in its entirety, but at the very least this rule must exclude the tribe's agreements with sports wagering vendors.

**Commented [A4]:** Including sports wagering equipment in this definition results in a SW equipment provider needing two separate licenses: (1) major sports wagering vendor, and (2) manufacturer under 230-03-025 or distributor under 230-03-190. It is unduly burdensome to require two licenses for providing the same piece of sports wagering equipment, particularly for vendors providing mere components of a sports wagering system.

WAC 230-03 Proposed Rule Changes

(3) Devices for dispensing pull-tabs;

(4) Electronic devices for conducting, facilitating, or accounting for the results of gambling activities, including, but not limited to:

(a) Components of a tribal lottery system;

(b) Components of a sports wagering system;

(c) Electronic devices for reading and displaying outcomes of gambling activities; and

(~~d~~e) Accounting systems that are a part of, or directly connected to, a gambling system including, but not limited to:

(i) Bet totalizers; or

(ii) Progressive jackpot meters; or

(iii) Keno systems;

(5) Bingo equipment;

(6) Devices and supplies used to conduct card games, fund-raising events, recreational gaming activities, or Class III gaming activities, as defined in the Indian Gaming Regulatory Act at U.S.C. 25 chapter 29 § 2703 and in tribal-state compacts including, but not limited to:

(a) Gambling chips;

(b) Cards;

## WAC 230-03 Proposed Rule Changes

- (c) Dice;
- (d) Card shuffling devices;
- (e) Graphical game layouts for table games;
- (f) Ace finders or no-peek devices;
- (g) Roulette wheels;
- (h) Keno equipment; ~~and~~
- (i) Tables manufactured exclusively for gambling purposes;;  
and  
(j) Sports wagering systems.

[Statutory Authority: RCW 9.46.070. WSR 06-07-157 (Order 457), § 230-03-200, filed 3/22/06, effective 1/1/08.]

### **WAC 230-03-~~226230~~ Applying for linked bingo prize provider license.**

(1) You must apply for a linked bingo prize provider license if you provide bingo operators the means to link bingo prizes, including:

- (a) Equipment and supplies to offer linked bingo; and
- (b) Linked bingo prize management; and

## WAC 230-03 Proposed Rule Changes

(c) Distribution of necessary gambling equipment and supplies.

(2) Distributors must receive a linked bingo prize provider license before providing gambling equipment and supplies to play linked bingo games.

[Statutory Authority: RCW [9.46.070](#). WSR 06-07-157 (Order 457), § 230-03-230, filed 3/22/06, effective 1/1/08.]

### **WAC 230-03-~~227232~~ Applying for an enhanced raffle call center license.**

(1) You must apply for an enhanced raffle call center license if you receive authorized enhanced raffle ticket sales.

(2) The licensing process may include an on-site review of your call center process to ensure compliance with applicable gambling laws and rules, and your qualifications for licensure.

[Statutory Authority: RCW [9.46.070](#) and [9.46.0209](#). WSR 13-19-056 (Order 692), § 230-03-232, filed 9/16/13, effective 10/17/13.]

WAC 230-03 Proposed Rule Changes

**(NEW) WAC 230-03-230 Applying for a major sports wagering**

**vendor license**

You must apply for a major sports wagering vendor license if you provide integral sports wagering goods or services in our state.

This includes:

(1) Managing a Tribe's or Tribes' sports wagering operations;

(2) Being a Tribe's or Tribes' primary consultant who provides substantial sports wagering related services;

(3) Being a manufacturer or distributor of a sports wagering system(s);

(4) Providing bookmaking services; or

(5) Providing sports wagering risk management services.

**(NEW) WAC 230-03-231 Applying for a mid-level sports wagering**

**vendor license**

You must apply for a mid-level sports wagering vendor license if you provide services or equipment directly related to ~~data,~~ security, and integrity. ~~This~~ includes, ~~but not limited to:~~

(1) Integrity monitoring;

Commented [A5]: Revised to align with Section 6.2.2 of Appendix S

## WAC 230-03 Proposed Rule Changes

~~(2) Data to be used by a Tribe(s), or a sports wagering vendor, including data to set odds;~~

~~(3)(2) The compilation, furnishing, or storage of data for use~~

~~in sports wagering;~~

~~(4)(3) Initial or annual sports wagering system security testing~~

~~or assessment;~~

~~(5)(4) Geofence and geolocation compliance and monitoring; and~~

~~(6)(5) Sports wagering account management, including Software-~~

~~as-a-Service (SaaS) products.~~

### **(NEW) WAC 230-03-232 Applying for an ancillary sports wagering vendor license**

You must apply for an ancillary sports wagering vendor license if you provide necessary sports wagering support services. ~~that~~

~~This includes, but not limited to:~~

(1) Mobile payment processing for use in a Mobile Sports Wagering;

(2) Know your customer or identity verification for use in Mobile Sports Wagering; and



## WAC 230-03 Proposed Rule Changes

(3) Marketing or promotional affiliates for a sports wagering vendor or tribal sports wagering operator where the contractual financial arrangement is based on a percentage of an operator's sports wagering revenue.

**(NEW) WAC 230-03-xxx Sports wagering vendor applicants and associated entities in their corporate structure.**

You must apply for a sports wagering vendor license if you enter into agreements or contracts to provide sports wagering gaming goods or services to operators or other sports wagering vendors for sports wagering goods or services in Washington. Any associated organizations linked to the sports wagering applicant in their corporate structure, who provides sports wagering goods or services to the applicant, must comply with our rules. The applicant will have ultimate responsibility for any goods or services provided by another legal entity associated to the applicant. This only includes organizations in applicant's corporate ownership structure.

WAC 230-03 Proposed Rule Changes

**(NEW) WAC 230-03-311 Applying for a major sports wagering vendor representative license**

You must apply for a major sports wagering representative license if you, as an individual, sell, market, promote, represent, service, or otherwise work in any sports wagering activities under employment or contract to a major sports wagering vendor in our state or you supervise those who do.

**(NEW) WAC 230-03-312 Applying for a mid-level sports wagering vendor representative license**

You must apply for a mid-level sports wagering representative license if you, as an individual, sell, market, promote, represent, service, or otherwise work in any sports wagering activities under employment or contract to a mid-level sports wagering vendor in our state or you supervise those who do.

**(NEW) WAC 230-03-313 Applying for an ancillary sports wagering vendor representative license**

## WAC 230-03 Proposed Rule Changes

You must apply for an ancillary sports wagering representative license if you as an individual sell, market, promote, represent, service, or otherwise work in any sports wagering activities under employment or contract to an ancillary sports wagering vendor in our state or you supervise those who do.

**WAC 230-03-320 Substantial interest holders not required to be licensed as representatives.**

(1) If you are a substantial interest holder in a business licensed to operate a manufacturer, distributor, gambling service supplier, call centers for enhanced raffles, or linked bingo prize provider or a spouse of the same, you do not have to have an additional license to perform representative duties connected with that licensed business.

(2) If you are a substantial interest holder in a business licensed as a sports wagering vendor, or a spouse of the same, you do not need to have an additional sports wagering vendor representative license to perform representative duties connected with that licensed business.

## WAC 230-03 Proposed Rule Changes

[Statutory Authority: RCW 9.46.070 and 9.46.0209. WSR 13-19-056 (Order 692), § 230-03-320, filed 9/16/13, effective 10/17/13.

Statutory Authority: RCW 9.46.070. WSR 06-07-157 (Order 457), § 230-03-320, filed 3/22/06, effective 1/1/08.]

### **WAC 230-03-330 Representing one or more licensed**

**businesses.** (1) If you are a licensed distributor representative, gambling service supplier representative, or a linked bingo prize provider representative or applying for one of these representative licenses, you must represent only one licensed distributor, gambling service supplier, or linked bingo prize provider at a time.

(2) If you are a licensed manufacturer or representative, you may represent more than one licensed manufacturer.

(3) Sports wagering vendor representatives may represent more than one licensed sports wagering vendor so long as their representation would not create a conflict that would undermine the integrity of sports wagering or a sport event.

~~(4)~~ (4) If the owner you represent owns more than one licensed business, you may represent the owner in all those licensed businesses, including licensed manufacturers.

## WAC 230-03 Proposed Rule Changes

(54) You must submit an application and pay a fee before beginning work at a new or additional employer.

[Statutory Authority: RCW 9.46.070. WSR 18-05-026, § 230-03-330, filed 2/9/18, effective 5/1/18; WSR 09-24-012 (Order 664), § 230-03-330, filed 11/20/09, effective 12/21/09; WSR 06-07-157 (Order 457), § 230-03-330, filed 3/22/06, effective 1/1/08.]

**WAC 230-03-335 Representatives must not work before receiving a license.** If you are applying for a license as a representative for a manufacturer, distributor, gambling services supplier, call centers for enhanced raffles, a sports wagering vendor, or linked bingo prize provider, you must not work until you receive a license from us.

[Statutory Authority: RCW 9.46.070 and 9.46.0209. WSR 13-19-056 (Order 692), § 230-03-335, filed 9/16/13, effective 10/17/13. Statutory Authority: RCW 9.46.070. WSR 06-07-157 (Order 457), § 230-03-335, filed 3/22/06, effective 1/1/08.]

~~**(REPEAL) WAC 230-03-408 Applying for sports wagering prelicensing investigation.** (1) Any individual or organization anticipating applying for a future license to provide equipment~~

## WAC 230-03 Proposed Rule Changes

~~and/or services for sports wagering pursuant to a tribal-state compact may apply for a prelicensing investigation.~~

~~(2) To apply, the applicant and each substantial interest holder will go through a prelicensing investigation to determine if the applicant and substantial interest holders are initially qualified.~~

~~(3) It is the responsibility of each applicant and persons who have a substantial interest therein to establish by clear and convincing evidence the necessary qualifications.~~

~~(4) A prelicensing investigation of the applicant includes, but is not limited to:~~

~~(a) Identification of all substantial interest holders of the applicant, and~~

~~(b) Conducting a criminal history background investigation on all substantial interest holders, and~~

~~(c) Verification that cash, goods or services for the startup of the operations or the continuation of the business is from a qualified source, and~~

~~(d) Compliance with all other applicable rules and laws.~~

## WAC 230-03 Proposed Rule Changes

~~(5) You are required to complete an online application, submit any required supplemental documentation, and submit a five thousand dollar deposit for us to begin the prelicensing investigation process.~~

~~(6) We may request additional information during our prelicensing investigation. All work will stop until we receive the requested information. You must provide us with the required items within thirty days of notification or we will administratively close your prelicensing application.~~

~~(7) You must pay all costs associated with the prelicensing investigation.~~

~~(a) We will give you an estimate of the anticipated costs based on the information we have received at that time.~~

~~(b) You will be asked to pay the additional deposit to cover the anticipated costs, such as staff time to conduct the prelicensing investigation, travel time, and travel costs.~~

~~(c) We may amend our estimate during our prelicensing investigation process.~~

~~(d) You will have thirty days to submit any additional balance requested. We will not work on the application until we~~

## WAC 230-03 Proposed Rule Changes

~~have received all funds requested. Failure to pay the balance within the required time frame will result in administrative closure of the application and all unused funds will be refunded.~~

~~(e) We will stop the prelicensing investigation process if the cost of our investigation exceeds the balance and request additional funds to cover the anticipated costs to continue our investigation. We will resume work upon receipt of the requested deposit to cover anticipated costs to complete the investigation.~~

~~(f) Any unused funds will be refunded.~~

~~(g) We will retain funds to cover all costs incurred if you withdraw your application or if your application is denied.~~

~~(8) Upon completion of a prelicensing investigation, a determination regarding an applicant's qualification will be made. Applicants who are qualified will receive a prelicensing investigation approval from us stating the determination is made based on the information and representations made by the applicant up to that date.~~



## WAC 230-03 Proposed Rule Changes

~~(9) Applicants are required to provide notice of any changes to the organization or substantial interest holders after a prelicensing investigation approval has been issued and will be required to pay for any additional investigation costs.~~

~~(10) A prelicensing investigation approval is not a sports wagering license. You must apply for a sports wagering license once a sports wagering tribal-state compact(s) and future licensing rules are effective.~~

~~(11) Prelicensing investigation approval will be valid for one year from the date of issuance. The term of this approval can be extended by the director or designee if the year term is about to expire and sports wagering licensing rules are not in effect.~~

~~(12) Applicants who are determined to be unqualified to receive a prelicensing investigation approval will be given the following options:~~

~~(a) Have thirty days to correct the issue that keeps them from being qualified; or~~

~~(b) Withdraw their application; or~~

~~(c) Receive an application denial.~~

WAC 230-03 Proposed Rule Changes

~~[Statutory Authority: RCW 9.46.070, 9.46.075, and 9.46.153. WSR  
21-06-067, § 230-03-408, filed 2/26/21, effective 3/29/21.]~~

WAC 230-05 Proposed Rule Changes

~~(REPEAL) WAC 230-05-101 Implementation of new permit and license fees. WAC 230-05-102 through 230-05-175 apply to all:~~

~~(1) Permits or license years ending on or after June 30, 2018;~~

~~(2) Permits or licenses issued on or after July 1, 2018;~~  
and

~~(3) Other fees assessed in this chapter on or after July 1, 2018.~~

~~{Statutory Authority: RCW 9.46.070. WSR 18-05-026, § 230-05-101, filed 2/9/18, effective 5/1/18.}~~

~~WAC 230-05-110 Defining "gross gambling receipts rate."~~

~~"Gross gambling receipts rate" is the rate listed in this chapter that licensees use to calculate their quarterly license fees, if applicable. This also is the rate used for quarterly license reports.~~

~~{Statutory Authority: RCW 9.46.070. WSR 18-05-026, § 230-05-110, filed 2/9/18, effective 5/1/18.}~~

WAC 230-05 Proposed Rule Changes

~~WAC 230-05-112 Defining "gross gambling receipts." (1)~~

~~"Gross gambling receipts" means the amount due to any operator of an authorized activity as described in subsection (5) of this section.~~

~~(2) The amounts must be stated in U.S. currency.~~

~~(3) The value must be before any deductions for prizes or other expenses, such as over/short.~~

~~(4) "Gross gambling receipts" does not include fees from players to enter player-supported jackpots. However, any portion of wagers deducted for any purpose other than increasing current prizes or repayment of amounts used to seed prizes are "gross gambling receipts."~~

~~(5) Gross gambling receipts for authorized activities:~~

<b>Activity:</b>	<b>Gross gambling receipts include amounts due to any operator for:</b>
<del>(a) Punch board and pull tab</del>	<del>Purchasing chances to play.</del>
<del>(b) Raffles and enhanced raffles</del>	<del>Purchasing chances to enter.</del>
<del>(c) Bingo</del>	<del>Fees or purchase of cards to participate.</del>
<del>(d) Amusement games</del>	<del>Amounts paid to play amusement games.</del>
<del>(e) Card games</del>	<del>• "Net win" from house-banked card games; • Tournament entry fees; • Administrative fees from player-supported jackpots; • Fees to participate in nonhouse-banked card games.</del>

WAC 230-05 Proposed Rule Changes

<b>Activity:</b>	<b>Gross gambling receipts include amounts due to any operator for:</b>
<b>(f) Manufacturers and distributors</b>	<p>(i) Fees from sales, rentals, leases, royalties, and service fees collected for the following gambling equipment in Washington to include, but not limited to:</p> <ul style="list-style-type: none"> <li>• Bingo paper or bingo cards;</li> <li>• Punch boards and pull tabs;</li> <li>• Devices for dispensing pull tabs;</li> <li>• Electronic devices for conducting, facilitating or accounting for the results of gambling activities;</li> <li>• Cards;</li> <li>• Dice;</li> <li>• Gambling chips;</li> <li>• Cash exchange terminals;</li> <li>• Progressive meters;</li> <li>• Gambling software;</li> <li>• License agreements;</li> <li>• Card shuffling devices;</li> <li>• Graphical game layouts for table games;</li> <li>• Ace finders or no peek devices;</li> <li>• Roulette wheels;</li> <li>• Keno equipment;</li> <li>• Tables manufactured exclusively for gambling purposes;</li> <li>• Bet totalizers;</li> <li>• Electronic devices for reading or displaying outcomes of gambling activities;</li> <li>• Tribal lottery systems and components thereof.</li> </ul> <p>(ii) Fees from the service, repair and modification of gambling equipment in Washington to include, but not limited to:</p> <ul style="list-style-type: none"> <li>• Charges for labor and parts for repairing gambling equipment;</li> <li>• Service fees related to gambling operations;</li> <li>• Training or set-up fees;</li> <li>• Maintenance contract fees related to gambling equipment and operations.</li> </ul>
<b>(g) Gambling service suppliers</b>	Fees from gambling related services provided in or to be used in Washington to include, but not limited to:

WAC 230-05 Proposed Rule Changes

<b>Activity:</b>	<b>Gross gambling receipts include amounts due to any operator for:</b>
	<ul style="list-style-type: none"> <li>▲ Consulting, advisory or management services related to gambling;</li> <li>▲ Interest from financing the purchase or lease of gambling equipment, infrastructure or facilities or equipment that supports gambling operations;</li> <li>▲ Acting as a lending agent, loan services or placement agent;</li> <li>▲ Assembly of components for gambling equipment to be used under a contract with a licensed manufacturer;</li> <li>▲ Ongoing financial arrangements for gambling related software with a licensed manufacturer;</li> <li>▲ Installing, integrating, maintaining, or servicing digital surveillance systems that allow direct access to the operating system;</li> <li>▲ Training individuals to conduct authorized gambling activities;</li> <li>▲ Performing testing and certification of tribal lottery systems in meeting requirements specified in the tribal state compacts;</li> <li>▲ Providing nonmanagement related recordkeeping or storage services for punch board and pull-tab operators;</li> <li>▲ Ownership of proprietary games or equipment.</li> </ul>
<b><u>(h) Punch board/pull-tab service businesses</u></b>	Providing nonmanagement related recordkeeping or storage services for punch board and pull-tab operators.
<b><u>(i) Fund-raising event distributors</u></b>	Fees from contracts to organize and conduct recreational gaming activities.
<b><u>(j) Fund-raising events and agricultural fairs</u></b>	Fees received from the operation of bingo, amusement games, raffles, lotteries, contests of chance, and/or net win from table games operated at a fund-raising event.
<b><u>(k) Major Sports Wagering Vendor</u></b>	<b><u>Fees or revenues received from providing sports wagering goods and services, including:</u></b>

WAC 230-05 Proposed Rule Changes

Activity:	Gross gambling receipts include amounts due to any operator for:
<del>(l) Mid-level Sports Wagering Vendor</del>	<del>management, consulting, sales, rentals, leases, and royalties, for any sports wagering activities in Washington.</del> Fees or revenues received from providing sports wagering goods and services, including: sales, rentals, leases, and royalties, for any sports wagering activities in Washington.
<del>(m) Ancillary Sports Wagering Vendor</del>	<del>Fees or revenues received from providing sports wagering goods and services, including: sales, rentals, leases, and royalties, for any sports wagering activities in Washington.</del>

~~[Statutory Authority: RCW 9.46.070. WSR 20-08-095, § 230-05-112, filed 3/30/20, effective 4/30/20; WSR 18-05-026, § 230-05-112, filed 2/9/18, effective 5/1/18.]~~

**Commented [A6]:** If licensing fees as noted below are not based at all on GGR, why would definition of GGR and rules surrounding such reporting be necessary?

**WAC 230-05-120 Paying annual license fee.** (1) All

licensed organizations will pay annual license fees ~~in up to five payments~~. The annual license fee will be up to five payments and includes:

- (a) A base license fee paid with your:
  - (i) Initial application for a new license or permit; or
  - (ii) License renewal or annual permit application; and

## WAC 230-05 Proposed Rule Changes

(b) Quarterly license fees, if applicable, based on the gross gambling receipts reported on your quarterly license report.

(2) Licensed organizations starting a new activity will begin paying quarterly license fees, if applicable, on that activity upon completion of the first quarter, whether a partial or full quarter, after your license or annual permit was issued.

(3) Individual licensees will pay an annual license fee with their initial application or license renewal application. [Statutory Authority: RCW 9.46.070. WSR 18-05-026, § 230-05-120, filed 2/9/18, effective 5/1/18.]

**WAC 230-05-124 Quarterly license reports and quarterly license fees.** ~~All~~ Licensed organizations must submit quarterly license reports. Licensed organizations must also submit ~~and~~ quarterly license fees to us, if applicable, for each licensed gambling activity beginning with the first quarter of their license year. The quarterly license fee is due with the quarterly license report.



## WAC 230-05 Proposed Rule Changes

The quarterly license reports must be in the format we require and must:

(1)

Cover the period:	Be received by us no later than:
January 1 through March 31	April 30
April 1 through June 30	July 31
July 1 through September 30	October 31
October 1 through December 31	January 31

(2) Be received online at our administrative office or postmarked no later than the dates indicated in the table in subsection (1) of this section; and

(3) Be submitted even if there is no quarterly license fee payable to us; and

(4) Be accurate; and

(5) Be completed by the highest ranking executive officer or a designee. If someone other than the licensee or an employee prepares the report, the preparer must include his or her name and business telephone number on the report; and

(6) Be submitted for any period of time the license was valid, even if there was no gambling activity or the gambling license was not renewed.

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[Statutory Authority: RCW 9.46.070. WSR 20-12-046, § 230-05-124, filed 5/28/20, effective 6/28/20; WSR 18-05-026, § 230-05-124, filed 2/9/18, effective 5/1/18.]

**WAC 230-05-125 Report gross gambling receipts on the quarterly license report.** (1) You must report your gross gambling receipts for each of your licensed gambling activities during the previous quarter on your quarterly license report.

(2) You must submit a quarterly license report even if you:

- (a) ~~Only need to pay your base license fee~~;
- (b) Have paid the maximum annual license fee for your

license year;

~~(c)~~ You do not owe a quarterly license fee for the quarter;

~~(d)~~ Have no gross gambling receipts to report;

~~(e)~~ Close your business;

~~(f)~~ Surrender your license;

~~(g)~~ Do not renew your license; or

~~(h)~~ Your license is revoked or suspended.

[Statutory Authority: RCW 9.46.070. WSR 18-11-055, § 230-05-125, filed 5/10/18, effective 6/10/18.]

**Commented [A7]:** Why? Is some other necessary WSGC action done based on the quarterly report?

## WAC 230-05 Proposed Rule Changes

**WAC 230-05-126 Online filing and payments required with waivers available upon request for good cause.** (1) All licensees must submit the following online, where applicable:

- (a) Renewal application and base license fees; and
- (b) Quarterly license fees; and
- (c) Quarterly license reports.

(2) We may waive these requirements if a licensed organization can show good cause. The reasons for good cause include:

- (a) You do not have access to the internet using your own computer or similar equipment; or
- (b) You do not have a bank account; or
- (c) Your bank is unable to send electronic fund transactions; or
- (d) Some other circumstance or condition exists that, in our judgment, prevents you from submitting online.

(3) We may waive these requirements if a licensed individual can show good cause. The reasons for good cause include:

## WAC 230-05 Proposed Rule Changes

(a) You do not have access to the internet using your own computer or similar equipment; or

(b) You do not have a bank account or credit card; or

(c) Your bank is unable to send electronic fund transactions; or

(d) Some other circumstance or condition exists that, in our judgment, prevents you from submitting online.

(4) You must request a waiver when applying for a new license or permit.

(5) A waiver will cover all fees and reports required under subsection (1) of this section.

[Statutory Authority: RCW 9.46.070. WSR 18-05-026, § 230-05-126, filed 2/9/18, effective 5/1/18.]

**WAC 230-05-170 Fees for other businesses.** All other business organizations must pay the following fees:

(1) Annual licenses or permits:

License Type	Base License Fee	Gross Gambling Receipts Rate	Maximum Annual License Fee
Agricultural fair bingo (annual permit)	\$200	-	-
Call centers for enhanced raffles	\$4,800	-	-

WAC 230-05 Proposed Rule Changes

License Type	Base License Fee	Gross Gambling Receipts Rate	Maximum Annual License Fee
Commercial amusement games	\$500 plus \$65 per approved location	1.130%	\$11,000
Distributor	\$700	1.430%	\$7,000
Fund-raising event distributor	\$280	1.430%	\$1,000
Linked bingo prize providers	\$1,500	.046%	\$20,000
Manufacturer	\$1,500	1.430%	\$25,000
Manufacturer's special sales permit	\$250	-	-
Punch board/pull-tab service business permit	\$250	-	-
Gambling service supplier	\$300	1.430%	\$7,000
Major Sports Wagering Vendor	<del>\$8525,000</del>	-	-
Mid-level Sports Wagering Vendor	<del>\$495,000</del>	-	-
Ancillary Sports Wagering Vendor	<del>\$5,000</del>	-	-

**Commented [A8]:** These are excessively high and will prevent quality vendors from entering Washington. The fees should not dramatically depart from existing fee structure in Washington, i.e. the maximum annual fee of \$25,000 (plus special investigative fees).

License or Permit Type	Base License Fee	Gross Gambling Receipts Rate	Maximum Annual License Fee
Recreational gaming activity	\$65	-	-
Special property bingo	\$30	-	-

Change of:	Fee
Name	\$100
Location	\$100
Business classification (same owners)	\$100
Corporate stock/limited liability company shares/units	\$100
License transfers	\$100

(4) Other fees:

Transaction	Fee
Add a new amusement game location	\$65
Defective punch	Up to \$100

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Transaction	Fee
board/pull-tab cost recovery fees	
Duplicate license	\$50
Pre- and post-licensing investigations	Cost reimbursement
Review, inspection, and/or evaluation of gambling equipment, supplies, services, games, schemes, or group 12 amusement games	Deposit and cost reimbursement

[Statutory Authority: RCW 9.46.070. WSR 18-11-055, § 230-05-170, filed 5/10/18, effective 6/10/18.]

**WAC 230-05-175 Individual license fees.** Individuals must

pay the following fees:

(1) Annual license and additional employer fees:

License Type	New Application Fee	Annual Renewal Fee	Additional or Change of Employer Fee
Call center for enhanced raffle representative	\$275	\$170	-
Card room employee license - Nonhouse-banked (Class A)	\$200	\$95	\$65
Card room employee license - Class F and house-banked (Class B)	\$275 (in-state) \$340 (out-of-state)	\$170	\$65
Charitable or nonprofit gambling manager	\$200	\$95	\$95
Commercial gambling manager	\$200	\$95	\$95
Distributor representative	\$275	\$170	\$65
Linked bingo prize provider representative	\$275	\$170	\$65
Manufacturer representative	\$275	\$170	\$65
Gambling service supplier representative	\$275	\$170	\$65
<u>Major sports wagering vendor representative</u>	<u>\$275</u>	<u>\$170</u>	<u>\$65</u>
<u>Mid-level sports wagering vendor representative</u>	<u>\$275</u>	<u>\$170</u>	<u>\$65</u>
<u>Ancillary sports wagering vendor representative</u>	<u>\$275</u>	<u>\$170</u>	<u>\$65</u>

## WAC 230-05 Proposed Rule Changes

(2) Class B card room employees must pay the out-of-state application fee if over the last ten years the applicant lived outside of Washington for six nonconsecutive months or more.

(3) Other service fees:

Transaction	Fee
Change of name	\$30
Card room employee emergency waiver request	\$65
Duplicate license	\$30

(4) Military personnel returning from service. If a license expires while an individual is on active military service, the individual may apply to have their license reissued at the renewal fee. The application must be received within six months after completing their active military service. The applicant must provide evidence of the completion date of active military service.

[Statutory Authority: RCW 9.46.070. WSR 18-08-053, § 230-05-175, filed 3/30/18, effective 5/1/18.]

## WAC 230-06 Proposed Rule Changes

### **WAC 230-06-030 Restrictions and conditions for gambling**

**promotions.** Licensees may conduct gambling promotions to encourage players to participate in the gambling activity they are licensed to conduct without our review or approval under these restrictions and conditions:

(1) You must establish rules and restrictions to determine how you will give promotional prizes and items to players; and

(2) You must comply with all applicable federal, state, and tribal laws and rules;

~~(3)~~ You must display all rules and restrictions clearly in the gambling area and include them on promotional materials or advertisements; and

~~(4)~~ You must give all players eligible for the promotion an equal opportunity to participate; and

~~(5)~~ Except for members-only progressive raffles conducted as authorized in WAC 230-11-091, you must not give another chance to participate in a gambling activity we regulate as a promotional item; and



## WAC 230-06 Proposed Rule Changes

~~(65)~~ As part of a gambling promotion, you may add additional merchandise or cash prizes, including increasing payouts for gambling activities you are licensed to conduct; and

~~(76)~~ Licensed manufacturers, distributors, and service suppliers may give cash or merchandise items to licensed operators to be used as promotional prizes as long as:

(a) The cash or merchandise is offered to all licensed operators; and

(b) The gambling promotion is approved by the director or director's designee when cash or merchandise provided to a licensed operator for a single promotion is over twenty-five thousand dollars; and

~~(87)~~ In order for a licensed manufacturer, distributor, and service supplier to receive approval, the plan for the gambling promotion must be submitted to the director at least ninety days in advance of the intended start date. The promotion must include sufficient information for the director's approval, comply with all applicable federal and state laws, and include:

(a) The gambling promotion rules and restrictions; and

(b) How the operator will safeguard the prizes; and

## WAC 230-06 Proposed Rule Changes

(c) How the prizes will be given away; and

(d) The beginning and ending dates for the gambling promotion; and

(e) A detailed prize winner's record to be filled out upon completion of the promotion that includes the winner's name, prizes paid out, date the prize was awarded; and

(f) Any other information we request; and

~~(98)~~ You must not give promotional prizes or items based on additional elements of chance except that:

(a) Licensed bingo operators are authorized to give promotional prizes or items as part of a bingo game; and

(b) Licensed card rooms are authorized to give promotional prizes or items as part of a physical drawing, spinning a wheel, or selecting from a group of concealed items; and

~~(109)~~ You must not combine gambling activities and related gambling promotions in any way with a promotional contest of chance as defined in RCW 9.46.0356.

[Statutory Authority: RCW 9.46.070. WSR 17-04-009, § 230-06-030, filed 1/19/17, effective 2/19/17. Statutory Authority: RCW 9.46.070 and 9.46.0277. WSR 14-17-056 (Order 703), § 230-06-030, filed 8/15/14, effective 9/15/14. Statutory Authority: RCW

## WAC 230-06 Proposed Rule Changes

9.46.070. WSR 08-17-066 (Order 629), § 230-06-030, filed 8/18/08, effective 9/18/08; WSR 06-17-132 (Order 601), § 230-06-030, filed 8/22/06, effective 1/1/08.]

### **WAC 230-06-050 Review of electronic or mechanical gambling**

**equipment.** (1) When you are required to submit gambling equipment, supplies, services, or games for our review to verify compliance with chapter 9.46 RCW and Title 230 WAC, you must pay the application deposit before we perform the review. You must also reimburse us for any additional costs of the review. All costs must be paid in full prior to the completion of the review.

(2) The gambling equipment submitted for review must be identical or substantially similar to what will be marketed, distributed, and deployed in Washington. If the equipment is not sufficient for testing and review, we may require additional equipment or information.

(3) If your application is incomplete or we request additional information, you must provide us with the required items within thirty days of notification or we may administratively close your application.

## WAC 230-06 Proposed Rule Changes

(4) You can begin accepting orders for gambling equipment when you are licensed.

(5) Only gambling equipment approved by the director or director's designee is allowed in Washington except as provided under WAC 230-16-005 ~~or under a tribal-state gaming compact and WAC 230-17-xxx(SW system rule).~~

(6) We may include security or surveillance requirements as part of gambling equipment approval.

(7) Gambling equipment must operate as approved by the director or director's designee ~~except as provided in a tribal-state gaming compact under WAC 230-17-xxx (SW System Rule).~~

(8) We may keep equipment submitted for review to allow for continued testing and training as long as the equipment remains in play in Washington. We are not liable for any damage to equipment while in our possession.

(9) If you do not agree with the director or director's designee's decision, you may file a petition for declaratory order with the commission according to RCW 34.05.240 and chapter 230-17 WAC.

[Statutory Authority: RCW 9.46.070. WSR 19-11-047, § 230-06-050, WAC (4/29/2021 08:38 AM) [ 5 ] NOT FOR FILING

WAC 230-06 Proposed Rule Changes

filed 5/10/19, effective 6/10/19; WSR 14-09-037 (Order 696), §  
230-06-050, filed 4/11/14, effective 7/1/14; WSR 07-21-116

## WAC 230-06 Proposed Rule Changes

(Order 617), § 230-06-050, filed 10/22/07, effective 1/1/08; WSR 06-17-132 (Order 601), § 230-06-050, filed 8/22/06, effective 1/1/08.]

**WAC 230-06-054 Notification of electronic or mechanical gambling equipment malfunctions.** Licensees must notify us, in the format we require, within seventy-two hours of identifying or becoming aware of an electronic or mechanical gambling equipment malfunction ~~except for sports wagering vendors as provided under WAC 230-17-xxx (SW System Rule).~~

[Statutory Authority: RCW 9.46.070. WSR 14-09-037 (Order 696), § 230-06-054, filed 4/11/14, effective 7/1/14.]

**WAC 230-06-082 Manufacturers, distributors, gambling service suppliers, sports wagering vendors, linked bingo prize providers, and call centers for enhanced raffles reporting changes in licensed employees.** Manufacturers, distributors, gambling service suppliers, sports wagering vendors, linked bingo prize providers and call centers for enhanced raffles licensees must:

## WAC 230-06 Proposed Rule Changes

(1) Submit an application and the required fees before allowing licensed employees or sports wagering vendor representatives to begin working.

(2) Notify us in the format we require when a licensed employee or sports wagering vendor representative no longer works for them. We must receive the notice at our Lacey office within ten days of the licensed employee's or representative's last day.

[Statutory Authority: RCW 9.46.070. WSR 18-05-029, § 230-06-082, filed 2/9/18, effective 7/1/18.]

**(NEW) WAC 230-06-xxx Submitting sports wagering related contracts and agreements for review.**

Sports wagering vendors must provide any new contracts or agreements or changes to existing contracts or agreements relating to their sports wagering goods and/or services in the state of Washington, to us, ~~prior to execution of the contract or agreement.~~ Provided, however, that nothing in this rule requires a sports wagering vendor to provide its contracts or agreements with a federally recognized Indian tribe.

**Commented [A9]:** Our strong preference is that this draft rule is deleted in its entirety, but at the very least this rule must exclude the tribe's agreements with sports wagering vendors.

## WAC 230-06 Proposed Rule Changes

### WAC 230-06-110 Buying, selling, or transferring gambling

**equipment.** (1) All licensees and persons authorized to possess gambling equipment must closely control the gambling equipment in their possession.

(2) Before selling gambling equipment, licensees must ensure that the buyer possesses a valid gambling license or can legally possess the equipment without a license.

~~(3) Licensees buying, selling, or transferring gambling equipment must ensure that it will be used pursuant to all state laws or rules, or laws and rules in the jurisdiction(s) where the activity is occurring.~~

**Commented [A10]:** How could a vendor possibly ensure it will be used by someone else pursuant to all laws? That doesn't work.

(34) Before purchasing gambling equipment, licensees must ensure that the seller possesses a valid gambling license.

(45) Applicants for Class F or house-banked card room licenses may purchase and possess gambling equipment during the prelicensing process, but only after receiving written approval from us.

(56) Charitable and nonprofit organizations conducting unlicensed bingo games, as allowed by RCW 9.46.0321, may possess bingo equipment without a license.



## WAC 230-06 Proposed Rule Changes

(~~6~~7) Group 12 amusement games can only be sold or leased to amusement game licensees by a licensed manufacturer or distributor. Amusement game licensees can lease or rent group 12 amusement games for operation at approved amusement game locations.

(~~7~~8) Licensees may transfer gambling equipment as a part of a sale of a business as long as a condition of the sale is that the buyer receives a gambling license before the sale is complete. Licensees must make a complete record of all gambling equipment transferred in this manner, including I.D. stamps. Licensees must report these transfers, including a copy of the inventory record, to us.

[Statutory Authority: RCW 9.46.070. WSR 18-05-029, § 230-06-110, filed 2/9/18, effective 7/1/18. Statutory Authority: RCW 9.46.070, 9.46.0201. WSR 16-19-015, § 230-06-110, filed 9/8/16, effective 10/9/16; WSR 16-08-033 (Order 718), § 230-06-110, filed 3/30/16, effective 4/30/16. Statutory Authority: RCW 9.46.070. WSR 08-11-044 (Order 628), § 230-06-110, filed 5/14/08, effective 7/1/08; WSR 07-21-116 (Order 617), § 230-06-110, filed 10/22/07, effective 1/1/08; WSR 06-17-132 (Order 601), § 230-06-110, filed 8/22/06, effective 1/1/08.]

WAC 230-06 Proposed Rule Changes

**(NEW) WAC 230-06-115 Transporting, displaying, and selling gambling equipment at trade shows**

(1) "Trade show" when used in this section means an exhibition where licensees can promote their products and services to operators of authorized gambling activities in Washington; the exhibition is not open to the public; and it is of limited duration.

(2) "Gambling equipment" as used in this section has the same meaning as in WAC 230-03-200.

(3) "Demonstration mode" when used in this section means when gambling equipment cannot be used for actual wagering and the equipment's coin or bill acceptor is removed or physically restricted from use.

(4) Licensees may transport, display, and accept orders for the sale or lease of their products at trade shows only under the following conditions:

(a) All products must be manufactured by a licensee for activities authorized by state laws or tribal-state compacts, or is Class II gaming equipment as authorized by federal law for use on tribal lands; and

## WAC 230-06 Proposed Rule Changes

(b) All gambling equipment physically displayed must be in demonstration mode and either:

(i) Approved for sale or lease in the state; or

(ii) Not approved by us but is only used for authorized activities under state laws or tribal-state compacts, or is Class II gaming equipment as authorized by federal law for use on tribal lands, and is transported into the state no more than ten days before a trade show begins and is removed from the state within ten days following the last day of a trade show.

(c) Gambling equipment must have a sign posted in close proximity to the device that contains the phrase, "No one under 18 years of age is allowed to operate this machine."

(5) Licensees must provide notification that they will be transporting, displaying, or accepting orders for gambling equipment on a form prescribed by the gambling commission at least ten days before a specified trade show.

(6) Gambling equipment at a trade show is subject to on-site inspection by the gambling commission.

[Statutory Authority: RCW 9.46.070. WSR 19-11-047, § 230-16-005, filed 5/10/19, effective 6/10/19; WSR 07-19-069 (Order 615), § 230-16-005, filed 9/17/07, effective 1/1/08.]

## WAC 230-06 Proposed Rule Changes

### WAC 230-06-120 Selling or transferring gambling equipment

**when no longer licensed.** (1) If we have revoked your operator, distributor, or sports wagering vendor license, your license has expired, or you have voluntarily surrendered your license, you may only sell or otherwise transfer gambling equipment to a licensed manufacturer or distributor or sports wagering vendor, as applicable, and consistent with all statutes and rules, including WAC 230-06-110.

(2) Transfers of gambling equipment in this manner are subject to the following requirements:

(a) The transfer must be complete within thirty days of the date the license became invalid; and

(b) Distributors must use the cash or credit against amounts they owe manufacturers; and

(c) Operators, ~~distributors~~, or sports wagering vendors selling the equipment must report to us within ten days of the transaction a complete inventory of all the gambling equipment transferred, including commission I.D. stamps; and

## WAC 230-06 Proposed Rule Changes

(d) Manufacturers, ~~or~~ distributors, or sports wagering vendors receiving the equipment must prepare a credit memorandum and retain it with their records.

[Statutory Authority: RCW 9.46.070. WSR 07-21-116 (Order 617), § 230-06-120, filed 10/22/07, effective 1/1/08; WSR 06-17-132 (Order 601), § 230-06-120, filed 8/22/06, effective 1/1/08.]

## (NEW) WAC 230-17, Proposed Sports Wagering Rules

### ~~(NEW) WAC 230-17-005 Sports Wagering Definitions~~

~~Definitions for sports wagering as used in this Chapter are:~~

~~(1) "Affiliate" means an individual or organization that promotes sport wagering websites in exchange for a commission or fee.~~

~~(2) "Authorized Sports Wagering Menu" means the official list of sports, leagues, and types of wagers authorized to be offered for sports wagering in the state.~~

~~(3) "Esports" means a video game competition in which players and teams compete against each other.~~

~~(4) "Geofence" means a virtual geographic boundary that enables software or other technology to determine geolocation and detect when a Mobile Device enters or leaves an approved designated area that allows a patron to place a wager for mobile sports wagering.~~

~~(5) "Integrity Monitoring Provider" means an independent organization licensed to receive reports of Unusual Wagering Activity from a Sports Wagering Operation for the purpose of assisting in identifying Suspicious Wagering Activity.~~

~~(6) "Minor League" means a lower professional league or division within a sport, such as baseball or hockey, where a professional team has the exclusive contractual rights to promote and relegate players.~~

**Commented [A11]:** Some of these definitions conflict with Appendix S. See email for additional rationale for deleting 230-17.

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~(7) "Mobile Device" means a personal portable electronic equipment used in Mobile Sports Wagering, for example a smartphone.~~

~~(8) "Mobile Sports Wagering" means any Sports Wagering on a platform that is deployed and accessed through the internet or an application installed on a Mobile Device.~~

~~(9) "Prohibited sports wagering participant" means any person who is prohibited pursuant RCW 9.46.037 and any person whose participation may undermine the integrity of the wagering or the sports event, or any person who is prohibited for other good cause, including, but not limited to: any person placing a wager as an agent or proxy; any person who is an athlete, coach, referee, player, in, or on, any sports event overseen by that person's sports governing body ; any person who holds a position of authority or influence sufficient to exert influence over the participants in a sports event that is the subject of a wager, or as identified by us or a Tribal Gaming Agency.~~

~~(10) "Sports Wagering Account" means an electronic account established by a patron for the purpose of sports wagering, including deposits, withdrawals, wagered amounts, payouts on winning wagers, or similar adjustments.~~

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~(11) "Sport Wagering Kiosk" means a self-service automated device used by patrons to make wagers on sporting events, obtain wagering information, redeem sports wagering vouchers and wagering tickets, and any other automated functions used for sports wagering.~~

~~(12) "Sports Wagering System" means all equipment, hardware, data networks, communications technology, and software used in a sports wagering operation and that directly affect the wagering and results of sports wagering, including, but limited to: (a) interactive components, including all associated equipment and software that comprise the sports wagering platform used by a sports wagering operation or for online or mobile sports wagering; (b) sports wagering kiosks; and (c) ticket or voucher redemption devices. This does not include a Mobile Device owned and used by a patron to place a Sports Wager.~~

~~(13) "Sports wagering vendor" means all three sports wagering licensees major, mid-level, and ancillary identified in this Chapter unless identified otherwise in these rules.~~

~~(14) "Suspicious wagering activity" means unusual wagering activity that cannot be explained and is indicative of match~~



(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~fixing, manipulation of an event, misuse of inside information, or other activity prohibited by federal, state, tribal, or local law.~~

~~(15) **"Unusual wagering activity"** means abnormal wagering or pattern of behavior exhibited by one or more patrons as a potential indicator of suspicious activity. Abnormal wagering activity may include, but is not limited to, the size of a patron's wager or increased wagering volume on a particular event or wager type and/or other deviations readily apparent based on prior wagering history.~~

~~**(NEW) 230-17-xxx Sports wagering vendors must ensure sports wagering vendor representatives are licensed.**~~

~~(1) Sports wagering vendors must ensure all sports wagering vendor representatives are licensed as required by rule.~~

~~(2) Sports wagering vendors must take all measures necessary to prevent an unlicensed sports wagering vendor representative from working in our state.~~

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~(NEW) WAC 230-17-xxx Accounting records for sports wagering vendors~~

~~Sports wagering vendors must keep and maintain a complete set of records for their licensed activity and include, at a minimum:~~

~~(1) Double entry method of accounting updated at least once a month, including a monthly balance for each account; and~~

~~(2) Maintain their records in accordance with generally accepted accounting principles and ensure the records can be reconciled to the licensee's federal income tax return; and~~

~~(3) Maintain and keep for at least three years following the end of the fiscal year:~~

~~(a) **Cash disbursements book (check register)** — Sports wagering vendors must document all expenses, both sports wagering and non-sports wagering related, with invoices or other appropriate supporting documents. They must enter information monthly and include, at least:~~

~~(i) The date the check was issued or payment made;~~

~~(ii) The number of the check; and~~

~~(iii) The name of the payee; and~~

~~(iv) Type of expense; and~~

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~(b) **Cash receipts** — Sports wagering vendors must keep a record of cash sales and cash received from all sources. They must enter information for each payment received monthly and include, at least, the:~~

~~(i) Date; and~~

~~(ii) Name of the person paying; and~~

~~(iii) Amount; and~~

~~(c) **General ledger** — Sports wagering vendors whose sports wagering related sales are greater than five hundred thousand dollars per year must have a general ledger which contains, in addition to all other accounts by month, a separate sales account for each type of sale; and~~

~~(d) **Bank reconciliation** — Sports wagering vendors must reconcile their accounts each month. "Reconcile" means the sports wagering vendors must compare the two balances, resolve any differences, and document the comparison and the differences in writing; and~~

~~(e) **Copies of all financial data** — Sports wagering vendors must keep copies of all financial data that supports tax reports to governmental agencies; and~~

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~(j) Maintain copies of all contracts related to sports wagering they enter into which fully disclose all terms.~~

~~**(NEW) WAC 230-17-XXX Sales invoices for sports wagering vendors**~~

~~Sports wagering vendors must document each sale of equipment or services, any return or refund, or any other type of transfer of sports wagering equipment, with a standard sales invoice.~~

~~**Sales invoices and credit memos**—These invoices and credit memos must:~~

~~(1) Be prenumbered sequentially at the time of purchase, using not less than four digits. Sports Wagering vendors may use computer generated numbering systems if:~~

~~(a) The system numbers the invoices and credit memos sequentially; and~~

~~(b) The sports wagering vendors use the same system for all sales; and~~

~~(c) The sports wagering vendors must not use a manual override function; and~~

~~(2) Record:~~

(NEW) WAC 230-17, Proposed Sports Wagering Rules

- ~~(a) The date of sale. Sports wagering vendors must also enter the date of delivery if different from the date of sale; and~~
- ~~(b) The customer's name and complete business address; and~~
- ~~(c) A full description of each item sold, or service provided, and~~
- ~~(d) The quantity and price of each item, and~~
- ~~(e) The gross amount of each sale, including all discount terms and the total dollar amount of any discount.~~

~~**(NEW) WAC 230-17-xxx Sales journals for sports wagering vendors**~~

~~Sports wagering vendors must keep a monthly sales journal containing, at least:~~

- ~~(1) Each date of sale; and~~
- ~~(2) Each sale invoice number; and~~
- ~~(3) The name of the person paying; and~~
- ~~(4) Sales categorized by the sports wagering goods, equipment or services sold; and~~
- ~~(5) The total amount of each invoice.~~

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~(NEW) WAC 230-17-xxx Authorized Sports Wagering Menu~~

~~(1) Sports wagering vendor licensees may only offer, facilitate, or promote wagering that is approved on the Authorized Sports Wagering Menu.~~

~~(2) The Authorized Sports Wagering Menu will be updated as leagues, organizations, or types of wagers are approved or removed.~~

~~(3) The Authorized Sports Wagering Menu will be published on the commission's website.~~

**Commented [A12]:** This is inconsistent with Appendix S. Tribal Gaming Agency plays a major role in approving wagers.

~~(New) WAC 230-17-xxx Sports Wagering Integrity~~

~~(1) Sports wagering vendor and vendor representative licensees must immediately notify us upon any discovery of a violation or of a suspected violation of RCW 9.46, this Chapter, or any violation of local, state, tribal, or federal ordinances, statutes, administrative rules or court orders.~~

~~(2) Licensees must monitor for suspicious and unusual wagering activity.~~

~~(3) Licensees must make all reasonable efforts to detect and prevent prohibited sports wagering participants from participating in sports wagering.~~

**Commented [A13]:** This conflicts with Appendix S.

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~(4) Licensees must immediately notify us, in the format we require, when unusual wagering activity or suspicious wagering activity is identified, including changes with the status of, or information related to, a previously reported unusual or suspicious wagering activity.~~

~~(5) Licensees will provide sports wagering information to us when requested.~~

~~(6) Licensees will provide us, or an Integrity Monitoring Provider(s) designated by us, access to their sports wagering system, including hardware and software if needed to assist us with integrity monitoring and investigations.~~

~~(NEW) WAC 230-17-xxx Integrity Monitoring Provider Requirements~~

~~(1) Integrity monitoring providers must have analytical systems to receive and analyze daily sports wagering information and data and be able to monitor, identify, analyze, and report on suspicious or unusual wagering activity.~~

~~(2) Integrity Monitoring Providers will provide us access to required sports wagering information, including hardware and~~

Commented [A14]: This conflicts with Appendix S.

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~software as needed, to assist us with integrity monitoring and investigations.~~

~~(3) Integrity Monitoring Providers must immediately notify us when they identify unusual wagering activity or suspicious wagering activity.~~

~~(4) Integrity Monitoring Providers must immediately notify us, and all other Integrity Monitoring Providers, sports wagering operators, and all other agencies or organizations as directed by us, on any previously reported unusual wagering activity it finds rises to the level of suspicious wagering activity..~~

~~(NEW) WAC 230-17-xxx Sports Wagering System Requirements~~

~~(1) Sports wagering vendors must be licensed before the sale or delivery of a sports wagering system(s) to be used in our state.~~

~~(2) All sports wagering systems must be tested and certified by a licensed independent testing laboratory.~~

~~(3) All sports wagering kiosks must be tested, approved, and certified by a licensed independent testing laboratory.~~

~~(4) All sports wagering systems must be approved by the Tribal Gaming Agency where the system is to be installed and operated.~~

Commented [A15]: This is inconsistent with Appendix S.



(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~(5) All sports wagering systems must meet or exceed Gaming Laboratory International GLI-33 sports wagering system standards, including any appendices or amendments; the standards established under tribal-state sports wagering compact amendment appendices, and any applicable provisions of tribal-state compacts and appendices for which the sports wagering system will operate or additional standards agreed to by us and a tribal gaming agency.~~

~~(6) No substantive modifications to a sports wagering system may be made after an Independent Test Laboratory has certified a sports wagering system without the modification being certified by the Independent Test Laboratory.~~

~~(7) A Sports Wagering System shall have controls in place to review the accuracy and timeliness of any data feeds used to offer or settle wagers.~~

~~(8) The primary server for a sports wagering system must be in the state and located within a Class III tribal gaming facility.~~

~~(9) Cloud storage for sports wagering data and information may be used for duplicate or backup data. Cloud storage facilities must be located in the state.~~

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~(10) Sports wagering systems, at a minimum, must be capable of generating reports necessary to record the adjusted gross receipts, wagering liability, ticket redemption, and such other information relating to sports wagering as required by us, a tribal gaming agency, or internal controls. These reports include, but are not limited to: (a) Gaming Operation Revenue reports; (b) Gaming Operation Liability reports; (c) Future Events reports; (d) Significant Events and Alterations reports; (e) Wager Record Information reports; (f) Market Information reports; (g) Contest/Tournament Information reports; (h) Sports Wagering Account Information reports; (i) Sports Wagering System Information reports; (j) Significant Event Information reports; (k) User Access Information reports; (l) Wagering Device Information reports; (m) Promotion/Bonus Information reports; (n) Event Game Play reports; (o) Expired tickets reports; and (p) any other reports required by us or a tribal gaming agency.~~

~~(11) Sports wagering systems and sports wagering kiosks will, at a minimum, allow for a display of commitment to responsible gaming and link to the Class III tribal sports wagering operator's~~

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~responsible gaming policies. It will also have solutions for including, but not limited to:~~

~~patron controlled wager and deposit limits; and connecting players to problem gambling resources.~~

~~(12) Licensees bringing sports wagering systems, components, and kiosks into the state must provide us access to the sports wagering system(s), including hardware, software or other related sports wagering equipment as needed for us to develop our regulatory program and trainings. Sports wagering system hardware, software, or other related equipment provided to us must be identical or substantially similar to what is deployed in the state.~~

~~(NEW) WAC 230-17-xxx **Geofence and Geolocation Requirements**~~

~~(1) Mobile sports wagering must be contained to an approved Class III tribal gaming facility premises as approved pursuant to each tribal state sports wagering compact amendment. Licensees will incorporate controls, including geofence and geolocation compliance and monitoring, to ensure wagers cannot be placed in violation of federal, state, or tribal laws and rules within each jurisdiction.~~

**Commented [A16]:** This conflicts with Appendix S. It is the Tribe's responsibility to meet geofence/geolocation standards set in the Compact.

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~(2) Geofence and geolocation systems will be updated, as needed or required by tribal state compact, to ensure that the system detects and mitigates existing and emerging location fraud risks.~~

~~(NEW) WAC 230-17-xxx Sports Wagering Account Requirements~~

~~(1) Licensees that manage or have access to a sports wagering account must maintain and produce all sports wagering account information when requested by us or a tribal gaming agency.~~

~~(2) A sports wagering account connected to a sports wagering system, or mobile sports wagering, must ensure that a sports wagering patron cannot have more than one active sports wagering account and username for each sports wagering operation authorized through tribal state compact process.~~

~~(3) A sports wagering account must be registered and verified in person at a tribal gaming facility before the acceptance of any wager using that Sports Wagering Account.~~

~~(4) A player's identification for a sports wagering account must be reverified upon reasonable suspicion that the player's identification has been compromised.~~

Commented [A17]: This conflicts with Appendix S.

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~(5) Licensees who maintain player account funds shall hold these funds at a federally regulated financial institution who does business in our state.~~

~~(6) Player funds held in a sports wagering account shall not be allowed to be transferred from a patron account to another patron account.~~

~~(7) Licensees will not require or advise a player to transfer or maintain sports wagering account funds in order to circumvent or violate any provision or requirement established in any local, state, tribal, or federal ordinances, statutes, administrative rules or court orders.~~

~~(8) Licensees that direct, assist, or manage sports wagering accounts shall provide a conspicuous and readily accessible method for a player to close his or her sports wagering account and any fund balance remaining in a player's closed sports wagering account will be dispersed pursuant to the internal controls of the Class III tribal sports wagering operator.~~

~~(9) Patrons are prohibited from allowing any other patron to access or use their player account.~~

(NEW) WAC 230-17, Proposed Sports Wagering Rules

~~WAC 230-17-xxx Record retention for sports wagering vendors.~~

~~Records retention sports wagering requirements for sports wagering vendors, where applicable, are:~~

~~(1) At least five years for records related to:~~

~~(a) Suspicious wagering activity; and~~

~~(b) unusual wagering activity.~~

~~(2) At least three years after the end of their fiscal year~~

~~for:~~

~~(a) All required accounting records;~~

~~(b) Sales invoices;~~

~~(c) Sales journals; and~~

~~(d) Credit memos.~~

~~(3) At least two years for:~~

~~(a) Data feeds;~~

~~(b) Player account information;~~

~~(c) Mobile wagering account information; and~~

~~(d) Geolocation or geofence information~~

~~4831-6882-6349.3~~



Board of Directors:

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6406 Marine Dr  
Tulalip, WA 98271-9694  
360-716-4500  
Fax 360-716-0628

The Tulalip Tribes are federally recognized successors in interest to the Snohomish, Snoqualmie, Skykomish, and other allied tribes and bands signatory to the Treaty of Point Elliott.

June 18, 2021

Tina Griffin  
Interim Director  
WSGC  
P.O. Box 42400  
Olympia, WA 98504

Bud Sizemore  
Chairman  
WSGC  
P.O. Box 42400  
Olympia, WA 98504

**Re: Tulalip Tribes Comments on the WSGC Sports Wagering Rules**

Dear Director Griffin and Chairman Sizemore,

On behalf of the Tulalip Tribes, we appreciate your work on the proposed Sports Wagering rules discussed at the WSGC public hearing June 10, 2021, and we thank you for opportunity to provide input of the proposal. We also want to express our concerns with the WSGC's proposed language, in what appears to be an attempt to circumvent the carefully negotiated sports wagering compact amendment negotiated between the Tulalip Tribes and the WSGC. The proposed language ignores the co-regulatory relationship between Indian Tribes and the State of Washington under the Indian Regulatory Gaming Act (IGRA) and the Tribal – State Gaming Compacts.

The WSGC is blurring the lines between its role to adopt Sports Wagering rules for the purpose of certifying sports wagering vendors and the general regulation of sports wagering activities on Indian lands, of which the WSGC has no authority to do under its rulemaking process. While the bill confirmed that the Commission had authority to engage in rulemaking to issue licenses to sports wagering vendors, this is a far cry from giving the WSGC rulemaking authority over the activity of sports wagering on Indian lands. Instead, Tribal government gaming in Washington State is conducted pursuant IGRA, tribal-state gaming compacts, tribal gaming ordinances, tribal regulations, and tribal internal controls.

The Tulalip Tribes spent significant tribal resources in government-to-government sports wagering compact negotiations with the WSGC which ultimately led to the Tulalip Tribes Appendix S. Throughout the compact negotiation each party made compromises, and, in many instances, Tulalip negotiated specific language out of the WSGC sports wagering proposal. To

see this same language inserted into this proposal appears like an attempted end-run around our government-to-government compact negotiation, and a loss of Tulalip's bargained-for-exchange.

We provide the following specific comments:

**1. WAC 230-03-xxx and WAC 230-06-xxx – Additional information required for sports wagering vendors and Submitting sports wagering related contracts and agreements for review.**

- a. Language in these sections that require vendors to provide vendor contracts and agreements to the WSGC and should be stricken. This language was first discussed in the government-to-government sports wagering negotiations. The parties agreed to remove this language based on these negotiations. Information contained in vendor contracts contain proprietary information and should be kept confidential. Even if the section is amended and limited to vendor-to-vendor contracts only, it is untenable for vendors because of its broad interpretation of who must be licensed as a vendor for goods and services. There are also routine modifications and amendments to contracts, a submission of which will be burdensome and create significant administrative challenges. At a minimum, contracts and agreements between vendors and tribal gaming operations should be excluded from this requirement.

**2. WAC 230-17 - New Section.**

- a. This entire section is problematic and should be deleted in its entirety. Some sections in WAC 230-17 are already addressed in Appendix S and are the tribes', not the vendors', responsibility. Other sections are inconsistent with Appendix S. For example, WAC 230-17-xxx (3) is inconsistent with Appendix S because it states that "All sports wagering kiosks must be tested, approved, and certified by a licensed independent testing laboratory." Pursuant to Appendix S, the tribal regulatory bodies "approve" the kiosks and sports wagering systems, not the independent testing laboratories.

The requirement in proposed rule WAC 230-17-xxx (10) requires that sports wagering system reports be provided, but the submission of sports wagering system reports are already addressed in Appendix S and will be further delineated in our internal controls.

WAC 230-17-xxx (Authorized Sports Wagering Menu) implies that a vendor will be accepting wagers. This is incorrect. The tribal gaming operations will be accepting wagers based on what is approved on the Authorized Sports Wagering Menu as agreed to in Appendix S. This section should be deleted in its entirety.

These examples are by no means exhaustive. We urge the WSGC to delete WAC 230-17 in its entirety for various substantive reasons.



**3. WAC 230-05-170. Fees for other businesses.**

- a. The Sports Wagering Vendor fees are extremely high. These costs will either be passed down to tribal government gaming operations, or simply prevent vendors from entering the market here in Washington State. We understand and agree that there may be additional costs associated with licensing sports wagering vendors, especially in the initial year. We do not believe, however, that the higher costs associated with the licensing sports wagering vendors in the first year will be representative of the second and third year etc. For this reason, we recommend that the WSGC lower the fees substantially and create a process to charge vendors additional fees to cover the costs should the costs exceed what is collected from the vendors. The WSGC has a loan they can pull from if they need to cover costs on the front-end.

We thank you for taking the time to address our concerns set forth in this letter. We also ask that you review closely other comments by both vendors and tribes, as we share similar concerns. Given the long-standing relationship between the Tulalip Tribes and the WSGC, we are optimistic that our concerns will be addressed. If you have any questions or would like to discuss this matter, please contact Lisa Koop Gunn, Attorney for the Tulalip Tribes.

Thank you,



Teri Gobin,  
Tulalip Tribal Chairwoman

Cc:  
Brian Considine, Legal and Legislative Manager  
Ashlie Laydon, Rules Coordinator  
President/COO, Kenneth Kettler  
TGA Director, Lance Ledford



June 18, 2021

Bud Sizemore, Chair  
Tina Griffin, Interim Director  
Washington State Gambling Commission  
P.O. Box 42400  
Olympia, WA 98504

Dear Bud and Tina:

On behalf of the Washington Indian Gaming Association (WIGA), I write today to offer feedback on the draft sports wagering rules presented at the Washington State Gambling Commission's (WSGC) meeting on Thursday, June 10. To summarize, WIGA is concerned that WSGC's draft rules improperly circumvent our co-regulatory relationship under the gaming compacts via unilateral rulemaking.

Prior to addressing the substance, I first wanted to address the process. The draft rules were made available to a blind copied stakeholder list by Brian Considine on Thursday, May 27. Some tribal staff are presumably on that list; many are not, and I suspect tribal leadership is not. You did not notify the tribal stakeholder list of these same draft rules until a full week later via email from Michelle Rancour. Seeing as that email was received near the close of business on Thursday, June 3, and comments were requested by 8:00 a.m. on Monday, June 7, considering the weekend, tribes really had only one business day to review and comment on the draft rules. I would ask that in the future when rules that affect a tribal gaming matter are issued—and especially when they affect a *tribal only* gaming activity—they really should be discussed through a government to government consultation with an opportunity for meaningful input. At the very least I would hope the draft rules would go to the tribes on the same schedule as other stakeholders.

As to the substance of the draft sports wagering rules, WIGA has several concerns. After a 25-year relationship between WSGC and Washington tribes, I know you understand the scope of the

Indian Gaming Regulatory Act (IGRA). Under IGRA, the co-regulatory relationship between the State of Washington and tribes is governed by the Class III gaming compacts. As fully recognized by section 2 of HB 2638, the operation of sports wagering on tribal lands is a feature of the compacts (which are negotiated between the State and tribes), not a feature of state rule (which is adopted as a unilateral action of the State). I appreciate this is the first time there has been legislation authorizing a tribal only activity, but that does not change the fact that IGRA—and therefore the compacts—are what govern the conduct and operation of the gaming activity.

Although HB 2638 gave WSGC rulemaking authority over licensing (or more appropriately, certification), it did not give WSGC rulemaking authority over tribal gaming activities *conducted on tribal lands*. Who is certified and how they are certified is a proper function of WSGC rules. See HB 2638 at section 3 (authorizing issuance of licenses for manufacturers and sports wagering service providers, and their employees). How those vendors interact with WSGC is also a proper function of the WSGC rules. But, attempting to address issues more appropriate for tribal gaming compacts is not. Therefore, I would respectfully request that draft rule section 230-17 be removed in its entirety. That section is largely a restatement of what is already in compact, and that is where it should stay.

I acknowledge that some sections of HB 2638 give you the authority to track and monitor certain transactions, require certain reports, and the like. But, as I understand it, those conversations were part of the compact negotiations. While Jamestown was not a direct party to those negotiations and I defer to my sister tribes and their experiences, you will likely hear from them directly that they are frustrated that you are taking a second bite of the negotiation apple by requiring certain reports and documents *by rule* that you had already agreed would be handled *by compact* and internal controls. I'm sure you can understand that this makes the negotiating tribes feel like what they thought was a fair compromise was really an underhanded way of getting the results WSGC wanted by rule instead. If you think you need a hook to take some kind of negative licensing actions against our vendors for their failure to follow the compacts, you can simply include a catchall provision in your rules that says that. That is far more effective, efficient, and appropriate than restating our compacts in your rules.

And finally, and I'm sure unsurprising to you, I take great issue with the proposed licensing fee structure. Sports wagering is another game being added to tribes' current offerings. Relative to our other forms of gaming, it will be a minor financial addition. However, the proposed fee for the major vendors is more than three times what our TLS vendors currently pay. As you likely recall from our conversations around the fee simplification project some years ago, excessive vendor certification fees lead to one of two outcomes: (1) the fee is passed on to the tribes, looking a lot like an unlawful tax on tribes and tribal gaming, or (2) the fee is not passed on to the tribes, and as some vendors have already pointed out, might dissuade vendors from participating in the Washington market at all. This is especially true here, for an on-premises only game, and even truer at smaller properties like 7 Cedars. I would encourage you to approach sports wagering vendors the same way you have approached other gaming vendors in the past: a more appropriate fee combined with special investigative fees as needed to address unique costs of investigating certain vendors. Here you are in an even better position because you can draw on the \$6 million cushion the loan provides you.

Under HB 2638, legal sports wagering will occur only in Indian country. The compacts govern sports wagering in Indian country. Therefore, much of what you are trying to accomplish in draft rule section 230-17 seems at worst, improper, and at best, unnecessary.

Very truly yours,

A handwritten signature in black ink that reads "W. Ron Allen". The signature is written in a cursive style with a large, sweeping initial "W" and a long, horizontal flourish at the end.

W. Ron Allen  
Chairman, Washington Indian Gaming Association  
Chairman, Jamestown S'Klallam Indian Tribe

Cc: Brian Considine, Legal and Legislative Manager  
Ashlie Laydon, Rules Coordinator



or in any combination no more than 12 times a calendar year with gross revenues from all activities together not to exceed \$5,000 during the calendar year.

We expect this bill to have a hearing and are working to ensure it moves out of committee early in the process.

**Bills with Direct Gambling Industry Impacts (\* are items you may want to take action on)**

**1. \*HB 1674, Authorizing sports wagering at card rooms and racetracks\***

Representative Walen’s HB 1674 authorizes sports wagering at card rooms and state horse racetracks. This bill is similar to SB 5212 (see summary of bill below).

This bill would create a new chapter in Title 9 RCW authorizing retail and online sports wagering licenses for card rooms and horse race tracks in the state. The Gambling Commission is the primary state regulator; a 10% state tax is imposed; a \$100,000 initial licensing fee is established with annual fees to be set by the Commission; each licensee would be allowed to operate one online sportsbook; a sports integrity unit is created with additional integrity provisions put into law; and portions of licensing fees along with half of unclaimed winnings will fund problem gambling.

HB 1674 and SB 5212 differ in that additional wording has been added to HB 1674, Sections 3 and 9, to indicate the wager may be placed and accepted at a card room or racetrack facility only while the customer is placing the wager is physically present on the premises of that card room or racetrack facility.

**2. SB 5212, Authorizing sports wagering at card rooms and racetracks\***

Senator King and Senator Liias’s SB 5212 authorizes sports wagering at card rooms and state horse racetracks. A Senate hearing on this bill occurred on February 4, 2021.

This bill would authorize retail and online sports wagering licenses for card rooms and horse race tracks in the state. The Gambling Commission is the primary state regulator; a 10% state tax is imposed; a \$100,000 initial licensing fee is established with annual fees to be set by the Commission; each licensee would be allowed to operate one online sportsbook; a sports integrity unit is created with additional integrity provisions put into law; and portions of licensing fees along with half of unclaimed winnings will fund problem gambling.

**3. HB 1626, Updating the authority for the fish and wildlife commission to adopt rules implementing electronic licensing practices.\***

This is agency request legislation is from the Department of Fish and Wildlife. Representatives Chapman’s HB 1626 authorizes the Fish and Wildlife Commission to issue electronic raffle tickets, licenses, permits, tags, stamps, and catch records.

We spoke with Department of Fish and Wildlife staff in December 2021 regarding this bill. We have reason to believe that “raffle tickets” will be removed from the bill as it proceeds forward.

**Bills with Law Enforcement Impacts.**

**4. HB 1589, Concerning the authority of peace officers to use physical force.**

Representative Walsh's bill seeks to make amendments to E2SHB 1310 regarding permissible uses of force. It allows a peace officer to use physical force against a person when necessary to prevent or protect against criminal conduct, to detain or take a person into custody.

**5. HB SB 5569, Improving public safety.**

Senator Padden's seeks to make amendments to E2SHB 1310 and E2SB 5051. The bill authorizes the use of a chokehold or neck restraint on another person in the course of their duties as a peace officer to protect the peace officer's life or the life of another; clarifies the when tear gas can be used; amends prohibited equipment acquired or used by a law enforcement agency; amends circumstances in which vehicular pursuits ay occur; amends and defines "necessary", "physical force" and "totality of the circumstances"; and changes when a peace officer can use physical force. Most notably this bill redefines limited authority peace officers as defined in RCW 10.93.020, which includes the Gambling Commission, as "criminal justice personnel" to be backgrounded upon hiring, which we already do.

**6. SB 5577, Concerning public safety.**

Senator Van De Wege's bill makes changes to when vehicular pursuits are allowed and when use of physical force can be taken.

**7. HB 1690, Concerning the use of deception by law enforcement officers during custodial interrogations.**

Representative Peterson's bill would make a statement made by a person during a custodial interrogation conducted by a law enforcement officer inadmissible if the court determines that the officer intentionally engaged in deception in obtaining the statement.

More bills will be filed before our January commission meeting, and I will bring any additional relevant bills for your discussion and possible action during the public meeting.

Attachments

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**HOUSE BILL 1674**

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**State of Washington**

**67th Legislature**

**2022 Regular Session**

**By** Representatives Walen and Hoff

Prefiled 12/20/21.

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1        NEW SECTION.     **Sec. 3.**     (1) Each sports wagering licensee may  
2 provide no more than one branded sports wagering website, which may  
3 have an accompanying mobile application bearing the same brand as the  
4 website for an online sports pool. Any sports wagering website and  
5 mobile application must only allow wagering at that cardroom or  
6 racetrack facility. The transmission of gambling information over the  
7 internet for any sports wagering conducted and operated under this  
8 chapter is authorized, provided that the wager may be placed and  
9 accepted at a cardroom or racetrack's facility only while the  
10 customer placing the wager is physically present on the premises of  
11 that cardroom or racetrack facility.

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

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

19        (4) The server or other equipment used by a sports wagering  
20 licensee to accept wagers at a sports pool or online sports pool must  
21 be located in that cardroom or racetrack facility.

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

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

1 wagers and self-service wagering machines located at the facility. In  
2 accordance with subsection (1) of this section, nothing in this  
3 section authorizes the placement or acceptance of a wager unless the  
4 customer placing the wager is physically present on the premises of  
5 the cardroom or racetrack facility.

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

8 (8) An operator may accept wagers on sports events only: (a) From  
9 persons physically present in the sports wagering lounge; (b) through  
10 self-service wagering machines located in its facility as authorized  
11 by the commission; or (c) through an online sports pool if the  
12 customer placing the wager through the online sports pool is  
13 physically present on the premises of the cardroom or racetrack  
14 facility.

15 (9) A person placing a wager on a sports event must be at least  
16 18 years of age.

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

22 (2) Any person who offers a sports pool or an online sports pool  
23 without a license or pursuant to a compact is guilty of a class B  
24 felony and is subject to a fine of not more than \$25,000, and, in the  
25 case of a person other than a natural person, a fine of not more than  
26 \$100,000.

27 NEW SECTION. **Sec. 5.** (1)(a) Any person who: (i) Is an athlete,  
28 coach, referee, or director of a sports governing body or any of its  
29 member team; (ii) is a sports governing body or any of its member  
30 teams; (iii) is a player or a referee personnel member in or on any  
31 sports event overseen by that person's sports governing body based on  
32 publicly available information; (iv) holds a position of authority or  
33 influence sufficient to exert influence over the participants in a  
34 sporting contest including, but not limited to, coaches, managers,  
35 handlers, athletic trainers, or horse trainers; (v) has access to  
36 certain types of exclusive information on any sports event overseen  
37 by that person's sports governing body based on publicly available  
38 information; or (vi) is identified by any lists provided by the

1 sports governing body to the commission may not have any ownership  
2 interest in, control of, or otherwise be employed by, an operator, a  
3 sports wagering licensee, or a facility in which a sports wagering  
4 lounge is located, or place a wager on a sports event that is  
5 overseen by that person's sports governing body based on publicly  
6 available information. Any person who violates this subsection is  
7 guilty of a misdemeanor and must, upon conviction, be punished by  
8 either imprisonment in the county jail for a maximum term fixed by  
9 the court of not more than 90 days or a fine in an amount fixed by  
10 the court of not more than \$1,000, or both.

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

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

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

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

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

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

33 (b) Who is the operator, director, officer, owner, or employee of  
34 the operator or any relative thereof living in the same household as  
35 the operator;

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

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

39 (5) An operator must adopt procedures to obtain personally  
40 identifiable information from any individual who places any single

1 wager in an amount of \$10,000 or greater on a sports event while  
2 physically present in a cardroom or racetrack facility.

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

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

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

17 (b) Suspicious or illegal wagering activities, including the use  
18 of funds derived from illegal activity, wagers to conceal or launder  
19 funds derived from illegal activity, the use of agents to place  
20 wagers, or the use of false identification.

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

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

26 NEW SECTION. **Sec. 9.** (1) A sports wagering licensee may, in  
27 addition to having a sports wagering lounge, conduct wagering on  
28 authorized sports events through one or more kiosks or self-service  
29 wagering stations located within its facility. The self-service  
30 wagering stations may offer games authorized by the commission.

31 (2) (a) Subject to (b) of this subsection, all wagers on sports  
32 events authorized under this chapter must be initiated, received, and  
33 otherwise made within this state unless otherwise determined by the  
34 commission in accordance with applicable federal and state laws.  
35 Consistent with the intent of the United States congress as  
36 articulated in the unlawful internet gambling enforcement act of

1 2006, 31 U.S.C. Sec. 5361 et seq., the intermediate routing of  
2 electronic data relating to a lawful intrastate wager authorized  
3 under this chapter does not determine the location or locations in  
4 which such wager is initiated, received, or otherwise made.

5 (b) In accordance with section 3(1) of this act, nothing in this  
6 section authorizes the placement, initiation, receipt, or making of a  
7 wager unless the customer placing the wager is physically present on  
8 the premises of the cardroom or racetrack facility. The commission is  
9 prohibited from modifying this requirement.

10 NEW SECTION. **Sec. 10.** (1) Applicants for, and holders of, a  
11 sports wagering license must be required to disclose the identity of  
12 the following: (a) Each board-appointed officer of the applicant or  
13 holder; (b) each director of the applicant or holder; (c) each person  
14 who directly holds any voting or controlling interest of five percent  
15 or more of the securities issued by such applicant or holder; (d)  
16 each person who directly holds any nonvoting or passive ownership  
17 interest of 25 percent or more of the securities issued by such  
18 applicant or holder; and (e) each holding or intermediary company of  
19 an applicant for, or holder of, an operator.

20 (2) As to each holding, intermediary, and subsidiary company or  
21 entity of an applicant for, or holder of, a sports wagering license,  
22 applicants and holders are required to establish and maintain the  
23 qualifications of the following: (a) Each board-appointed officer of  
24 the entity; (b) each director of the company or entity; (c) each  
25 person who directly holds any voting or controlling interest of five  
26 percent or more of the securities issued by such applicant or holder;  
27 and (d) each person who directly holds any nonvoting or passive  
28 ownership interest of 25 percent or more in the holding or  
29 intermediary company.

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

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

36 (3) Each operator must designate one or more sports wagering key  
37 employees who are responsible for the operation of the sports pool.



1 At least one sports wagering key employee must be on the premises  
2 whenever sports wagering is conducted.

3 NEW SECTION. **Sec. 12.** (1) Except as otherwise provided by this  
4 chapter, the commission has the authority to regulate sports pools,  
5 online sports pools, and the conduct of sports wagering under this  
6 chapter.

7 (2) No cardroom or racetrack may be authorized to operate a  
8 sports pool or online sports pool unless it has produced, to the  
9 satisfaction of the commission, information, documentation, and  
10 assurances concerning its financial background and resources,  
11 including cash reserves, that are sufficient to demonstrate that it  
12 has the financial stability, integrity, and responsibility to operate  
13 a sports pool or online sports pool.

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

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

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

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

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

26 (e) Method of issuing tickets;

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

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

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

30 (i) Type of system for wagering;

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

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

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

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

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

11        NEW SECTION.        **Sec. 14.**        Whenever a sports wagering licensee or  
12 two licensees enter into an agreement to jointly establish a sports  
13 wagering lounge, and to operate and conduct sports wagering under  
14 this chapter, the agreement must specify the distribution of revenues  
15 from the joint sports wagering operation among the parties to the  
16 agreement.

17        NEW SECTION.        **Sec. 15.**        (1) There is levied, and collected from  
18 every sports wagering licensee in this state, a tax in the amount of  
19 10 percent of the gaming revenue.

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

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

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

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

31        NEW SECTION.        **Sec. 16.**        If a patron does not claim a winning  
32 sports pool wager within one year from the time of the event, the  
33 obligation of the operator to pay the winnings expires and the  
34 operator will retain 50 percent of the winnings and remit the  
35 remaining 50 percent of the winnings to the problem gambling account  
36 created in RCW 41.05.751. If the sports pool is jointly operated, the

1 operator must apportion the 50 percent of the winnings pursuant to  
2 the terms of the parties' operation agreement.

3 NEW SECTION. **Sec. 17.** Wagers may be pooled with wagers from  
4 persons who are not physically present in this state if the  
5 commission determines that such wagering is not inconsistent with  
6 federal law or the law of the jurisdiction, including any foreign  
7 nation, in which any such person is located, or such wagering is  
8 conducted pursuant to a reciprocal agreement to which the state is a  
9 party that is not inconsistent with federal law.

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

14 **Sec. 19.** RCW 9.46.0335 and 1987 c 4 s 31 are each amended to  
15 read as follows:

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

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

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

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

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

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

1       ~~((6))~~ (e) The sports ~~((pool))~~ board is available for inspection  
2 by any person purchasing a chance thereon, the commission, or by any  
3 law enforcement agency upon demand at all times prior to the payment  
4 of the prize;

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

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

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

15       **Sec. 20.** RCW 9.46.153 and 1981 c 139 s 14 are each amended to  
16 read as follows:

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

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

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

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

1 testimony, any applicant, licensee or officer or director thereof, or  
2 person with a substantial interest therein, refuses to comply, the  
3 applicant or licensee may be denied or revoked by the commission;

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

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

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

26 **Sec. 21.** RCW 9.46.155 and 2003 c 53 s 34 are each amended to  
27 read as follows:

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

37 (2) (~~(Violation)~~) No person shall give or provide, or attempt to  
38 give or provide, directly or indirectly, any compensation, reward, or  
39 thing of value to a sporting event participant, including an athlete,

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

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

13 **Sec. 22.** RCW 9.46.210 and 2020 c 127 s 7 are each amended to  
14 read as follows:

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

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

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

1 and the manufacturing, importation, transportation, distribution,  
2 possession, and sale of equipment or paraphernalia used or for use in  
3 connection therewith. They shall have the power and authority to  
4 apply for and execute all warrants and serve process of law issued by  
5 the courts in enforcing the penal provisions of this chapter and  
6 chapter 9.--- RCW (the new chapter created in section 36 of this  
7 act), as it may be amended, and the penal laws of this state relating  
8 to the conduct of or participation in gambling activities and the  
9 manufacturing, importation, transportation, distribution, possession,  
10 and sale of equipment or paraphernalia used or for use in connection  
11 therewith. They shall have the power to arrest without a warrant, any  
12 person or persons found in the act of violating any of the penal  
13 provisions of this chapter and chapter 9.--- RCW (the new chapter  
14 created in section 36 of this act), as it may be amended, and the  
15 penal laws of this state relating to the conduct of or participation  
16 in gambling activities and the manufacturing, importation,  
17 transportation, distribution, possession, and sale of equipment or  
18 paraphernalia used or for use in connection therewith. To the extent  
19 set forth above, the commission shall be a law enforcement agency of  
20 this state with the power to investigate for violations of and to  
21 enforce the provisions of this chapter, as now law or hereafter  
22 amended, and to obtain information from and provide information to  
23 all other law enforcement agencies.

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

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

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

1 (a) Establish a sports integrity unit to prevent and detect  
2 competition manipulation through education and enforcement of the  
3 penal provisions of chapters 9.46, 67.04, and 9.--- RCW (the new  
4 chapter created in section 36 of this act), or any other state penal  
5 laws needed to protect the integrity of amateur and professional  
6 sporting events and contests within the state; and

7 (b) Track and monitor gambling-related transactions occurring  
8 within the state to aid in its enforcement of the penal provisions of  
9 this chapter ((~~o~~)), chapters 9A.83, 9.46, and 9.--- (the new chapter  
10 created in section 36 of this act) RCW, or any other state penal laws  
11 related to suspicious or illegal wagering activities, including the  
12 use of funds derived from illegal activity, wagers to conceal or  
13 launder funds derived from illegal activity, use of agents to place  
14 wagers, or use of false identification by a player.

15 **Sec. 23.** RCW 9.46.240 and 2020 c 127 s 10 are each amended to  
16 read as follows:

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

23 (2) This section shall not apply to such information transmitted  
24 or received or equipment or devices installed or maintained relating  
25 to activities authorized by this chapter including, but not limited  
26 to, sports wagering authorized under chapter 9.--- RCW (the new  
27 chapter created in section 36 of this act), RCW 9.46.0364 and  
28 9.46.0368, or to any act or acts in furtherance thereof when  
29 conducted in compliance with the provisions of this chapter and in  
30 accordance with the rules adopted under this chapter and conducted in  
31 accordance with tribal-state compacts.

32 **Sec. 24.** RCW 67.04.010 and 2012 c 117 s 294 are each amended to  
33 read as follows:

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



1 game)) the outcome of a play, game, match, or event, or any person  
2 who shall bribe or offer to bribe any (~~umpire of a baseball game,~~  
3 ~~with intent to influence him or her to make a wrong decision or to~~  
4 ~~bias his or her opinion or judgment in relation to any baseball game~~  
5 ~~or any play occurring therein, or any person who shall bribe or offer~~  
6 ~~to bribe any manager, or other official of a baseball club, league,~~  
7 ~~or association, by whatsoever name called, conducting said game of~~  
8 ~~baseball to throw or lose a game of baseball~~)) team, school, or  
9 league official or employee to obtain confidential or insider  
10 information on a player, team, or coach with the intent to violate  
11 this chapter or use the information to gain a gambling advantage in  
12 violation of chapters 9.46 and 9.--- RCW (the new chapter created in  
13 section 36 of this act), shall be guilty of a (~~gross misdemeanor~~)  
14 class B felony.

15 **Sec. 25.** RCW 67.04.020 and 2012 c 117 s 295 are each amended to  
16 read as follows:

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

33 **Sec. 26.** RCW 67.04.030 and 2012 c 117 s 296 are each amended to  
34 read as follows:

35 To complete the offenses mentioned in RCW 67.04.010 and  
36 67.04.020, it shall not be necessary that (~~the baseball~~) a player,  
37 manager, umpire, (~~or~~) official, or anyone else having actual or  
38 potential influence over a sporting event shall, at the time, have

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

12 **Sec. 27.** RCW 67.04.040 and 2012 c 117 s 297 are each amended to  
13 read as follows:

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

28 **Sec. 28.** RCW 67.04.050 and 2012 c 117 s 298 are each amended to  
29 read as follows:

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

1 his or her official duties for the purpose and with the intent to  
2 ((~~cause~~)) manipulate a sporting event, including causing a ((~~baseball~~  
3 club)) team to win or lose a ((~~baseball~~)) game or event, which it  
4 would not otherwise have won or lost under the rules governing the  
5 playing of said game, shall be guilty of a ((~~gross misdemeanor~~))  
6 class C felony.

7 **Sec. 29.** RCW 67.04.060 and 1921 c 181 s 6 are each amended to  
8 read as follows:

9 In all prosecutions under RCW 67.04.010 through 67.04.080, the  
10 venue may be laid in any county where the bribe herein referred to  
11 was given, offered or accepted, or in which the ((~~baseball game~~))  
12 sporting event or contest was played in relation to which the bribe  
13 was offered, given or accepted, or the acts referred to in RCW  
14 67.04.050 committed.

15 **Sec. 30.** RCW 67.04.070 and 2012 c 117 s 299 are each amended to  
16 read as follows:

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

24 **Sec. 31.** RCW 67.04.080 and 1921 c 181 s 8 are each amended to  
25 read as follows:

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

33 NEW SECTION. **Sec. 32.** A new section is added to chapter 82.04  
34 RCW to read as follows:

35 This chapter does not apply to any person in respect to a  
36 business activity with respect to which tax liability is specifically

1 imposed under chapter 9.--- RCW (the new chapter created in section  
2 36 of this act).

3 NEW SECTION. **Sec. 33.** RCW 67.24.010 is recodified as a section  
4 in chapter 67.04 RCW.

5 NEW SECTION. **Sec. 34.** RCW 67.24.020 (Scope of 1945 c 107) is  
6 decodified.

7 NEW SECTION. **Sec. 35.** If any provision of this act or its  
8 application to any person or circumstance is held invalid, the  
9 remainder of the act or the application of the provision to other  
10 persons or circumstances is not affected.

11 NEW SECTION. **Sec. 36.** Sections 1 through 18 of this act  
12 constitute a new chapter in Title 9 RCW.

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**SENATE BILL 5212**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



1        NEW SECTION.

2        **Sec. 3.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 (e) Method of issuing tickets;

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

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

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

17 (i) Type of system for wagering;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32 Any person who shall bribe or offer to bribe (~~(7)~~) any (~~(baseball~~  
33 ~~player)) sporting event participant, including an athlete, coach,~~  
34 referee, official, medical staff, or anyone else having actual or  
35 potential influence over a sporting event, with the intent to  
36 influence ((his or her play, action, or conduct in any baseball  
37 game)) the outcome of a play, game, match, or event, or any person  
38 who shall bribe or offer to bribe any (~~(umpire of a baseball game,~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

--- **END** ---

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HOUSE BILL 1626

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State of Washington

67th Legislature

2022 Regular Session

**By** Representatives Chapman, Shewmake, Ryu, and Leavitt; by request of Department of Fish and Wildlife

Prefiled 12/09/21.

1 AN ACT Relating to updating the authority for the fish and  
2 wildlife commission to adopt rules implementing electronic licensing  
3 practices; and amending RCW 77.32.090.

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

5 **Sec. 1.** RCW 77.32.090 and 2000 c 107 s 267 are each amended to  
6 read as follows:

7 The commission may adopt rules pertaining to the form, period of  
8 validity, use, possession, and display of licenses, permits, tags,  
9 stamps, and raffle tickets required by this chapter. This authority  
10 extends to the issuance of electronic licenses, permits, tags,  
11 stamps, raffle tickets, and catch record cards, as well as their use,  
12 possession, display, and presentation to agency staff.

--- END ---

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**SENATE BILL 5549**

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**State of Washington**

**67th Legislature**

**2022 Regular Session**

**By** Senator King; by request of Gambling Commission

Prefiled 12/16/21.

1 AN ACT Relating to amending types of nonprofit organizations  
2 qualified to engage in certain bingo gambling activities and changes  
3 to the number of occurrences for unlicensed bingo activities; and  
4 amending RCW 9.46.0209 and 9.46.0321.

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

6 **Sec. 1.** RCW 9.46.0209 and 2021 c 176 s 5202 are each amended to  
7 read as follows:

8 (1)(a) "Bona fide charitable or nonprofit organization," as used  
9 in this chapter, means:

10 (i) Any organization duly existing under the provisions of  
11 chapter 24.12, 24.20, or 24.28 RCW, any agricultural fair authorized  
12 under the provisions of chapter 15.76 or 36.37 RCW, or any nonprofit  
13 corporation duly existing under the provisions of chapter 19.09 or  
14 24.03A RCW for charitable, benevolent, eleemosynary, educational,  
15 civic, patriotic, political, religious, scientific, social,  
16 fraternal, athletic, or agricultural purposes only, or any nonprofit  
17 organization, whether incorporated or otherwise, when found by the  
18 commission to be organized and operating for one or more of the  
19 aforesaid purposes only, all of which in the opinion of the  
20 commission have been organized and are operated primarily for

1 purposes other than the operation of gambling activities authorized  
2 under this chapter; or

3 (ii) Any corporation which has been incorporated under Title 36  
4 U.S.C. and whose principal purposes are to furnish volunteer aid to  
5 members of the armed forces of the United States and also to carry on  
6 a system of national and international relief and to apply the same  
7 in mitigating the sufferings caused by pestilence, famine, fire,  
8 floods, and other national calamities and to devise and carry on  
9 measures for preventing the same.

10 (b) An organization defined under (a) of this subsection must:

11 (i) Have been organized and continuously operating for at least  
12 twelve calendar months immediately preceding making application for  
13 any license to operate a gambling activity, or the operation of any  
14 gambling activity authorized by this chapter for which no license is  
15 required; and

16 (ii) Demonstrate to the commission that it has made significant  
17 progress toward the accomplishment of the purposes of the  
18 organization during the twelve consecutive month period preceding the  
19 date of application for a license or license renewal. The fact that  
20 contributions to an organization do not qualify for charitable  
21 contribution deduction purposes or that the organization is not  
22 otherwise exempt from payment of federal income taxes pursuant to the  
23 internal revenue code of 1954, as amended, shall constitute prima  
24 facie evidence that the organization is not a bona fide charitable or  
25 nonprofit organization for the purposes of this section.

26 (c) Any person, association or organization which pays its  
27 employees, including members, compensation other than is reasonable  
28 therefor under the local prevailing wage scale shall be deemed paying  
29 compensation based in part or whole upon receipts relating to  
30 gambling activities authorized under this chapter and shall not be a  
31 bona fide charitable or nonprofit organization for the purposes of  
32 this chapter.

33 (2) For the purposes of RCW 9.46.0315 and 9.46.110, a bona fide  
34 nonprofit organization can be licensed by the commission and  
35 includes:

36 (a) A credit union organized and operating under state or federal  
37 law. All revenue less prizes and expenses received from raffles  
38 conducted by credit unions must be devoted to purposes authorized  
39 under this section for charitable and nonprofit organizations; and

40 (b) A group of executive branch state employees that:

1 (i) Has requested and received revocable approval from the  
2 agency's chief executive official, or such official's designee, to  
3 conduct one or more raffles in compliance with this section;

4 (ii) Conducts a raffle solely to raise funds for either the state  
5 combined fund drive, created under RCW 41.04.033; an entity approved  
6 to receive funds from the state combined fund drive; or a charitable  
7 or benevolent entity, including but not limited to a person or family  
8 in need, as determined by a majority vote of the approved group of  
9 employees. No person or other entity may receive compensation in any  
10 form from the group for services rendered in support of this purpose;

11 (iii) Promptly provides such information about the group's  
12 receipts, expenditures, and other activities as the agency's chief  
13 executive official or designee may periodically require, and  
14 otherwise complies with this section and RCW 9.46.0315; and

15 (iv) Limits the participation in the raffle such that raffle  
16 tickets are sold only to, and winners are determined only from, the  
17 employees of the agency.

18 (3) For the purposes of RCW 9.46.0277, a bona fide nonprofit  
19 organization also includes a county, city, or town, provided that all  
20 revenue less prizes and expenses from raffles conducted by the  
21 county, city, or town must be used for community activities or  
22 tourism promotion activities.

23 (4) For the purposes of bingo operated under RCW 9.46.0321, a  
24 bona fide nonprofit organization also includes a county, city, or  
25 town community center or a nonprofit senior housing organization.

26 **Sec. 2.** RCW 9.46.0321 and 1987 c 4 s 28 are each amended to read  
27 as follows:

28 Bona fide charitable or bona fide nonprofit organizations  
29 organized primarily for purposes other than the conduct of such  
30 activities are hereby authorized to conduct bingo, raffles, and  
31 amusement games, without obtaining a license to do so from the  
32 commission but only when:

33 (1) Such activities are held in accordance with all other  
34 requirements of this chapter, other applicable laws, and rules of the  
35 commission;

36 (2) Said activities are, alone or in any combination, conducted  
37 no more than (~~twice~~) 12 times each calendar year and over a period  
38 of no more than twelve consecutive days each time, notwithstanding  
39 the limitations of RCW 9.46.0205: PROVIDED, That a raffle conducted

1 under this subsection may be conducted for a period longer than  
2 twelve days;

3 (3) Only bona fide members of that organization, who are not paid  
4 for such services, participate in the management or operation of the  
5 activities;

6 (4) Gross revenues to the organization from all the activities  
7 together do not exceed five thousand dollars during any calendar  
8 year;

9 (5) All revenue therefrom, after deducting the cost of prizes and  
10 other expenses of the activity, is devoted solely to the purposes for  
11 which the organization qualifies as a bona fide charitable or  
12 nonprofit organization;

13 (6) The organization gives notice at least five days in advance  
14 of the conduct of any of the activities to the local police agency of  
15 the jurisdiction within which the activities are to be conducted of  
16 the organization's intent to conduct the activities, the location of  
17 the activities, and the date or dates they will be conducted; and

18 (7) The organization conducting the activities maintains records  
19 for a period of one year from the date of the event which accurately  
20 show at a minimum the gross revenue from each activity, details of  
21 the expenses of conducting the activities, and details of the uses to  
22 which the gross revenue therefrom is put.

--- END ---



Office of the Insurance Commissioner



January 7, 2022

Honorable Manka Dhingra  
State Senate  
Committee Chair, Law and Justice

Honorable Roger Goodman  
House of Representatives  
Committee Chair, Public Safety

Re: Addressing Concerns with E2SSB 5051 – Armed Washington Peace Officers not required to be Certified or Trained

Dear Senator Dhingra and Representative Goodman:

Engrossed Second Substitute Senate Bill 5051 addressed a public policy concern by requiring all peace officers and corrections officers to obtain and maintain certification that could be denied, suspended, or revoked by the Washington State Criminal Justice Training Commission (WSCJTC) and adhere to set standards for hiring and training.

Limited authority law enforcement agencies as defined in RCW 10.93.020, such as ours, are not required to be certified under E2SSB 5051. Due to the nature of our work, our limited authority Washington Peace Officers are armed and make arrests. In some cases, we also serve or assist in the service of search and arrest warrants. Until recently, our Washington Peace Officers were able to attend the WSCJTC's basic law enforcement academy (BLEA) or basic law enforcement equivalency academy (BLEEA) as non-mandated agencies, which means we pay the full cost of attendance as openings for attendance allow. According to WSCJTC's December 1, 2021, report entitled "State Oversight and Accountability of Peace and Correction Officers – E2SSB 5051", WSCJTC is not required to train reserve officers, which is how limited authority law enforcement agencies are defined as in E2SSB 5051. (See page 16 of the report.)

To address this inconsistency in certification and training, it appears to require a legislative fix for, "Limited authority Washington Peace Officer", as defined in RCW 10.93.020, to:

- Obtain and maintain certification that could be denied, suspended, or revoked by WSCJTC and

January 7, 2022  
Page 2 of 2

- Be mandated to be trained by the WSCJTC. This could be accomplished by:
  - A. Recognizing the certificate of successful completion or attendance from the BLEA or BLEEA and thereafter engaged in regular and commissioned law enforcement employment as a peace officer or with the limited authority agency without a break or interruption in service of over 24 months as outlined in WAC 139-05-200 (3)(b)(iii);
  - B. Requiring attendance of BLEEA for those with a break in service of more than 24 months but less than 60 months for those who fall under Section A; and
  - C. Requiring attendance of the BLEA for those limited authority officers who do not qualify under section A or B.

We are NOT seeking general authority.

We want our limited authority Washington Peace Officers to be regulated, but we cannot expect to hold them to certification standards without training. We would continue to pay the full costs of the WSCJTC training provided. Our agencies are already adhering to the annual firearms and in-service training requirements. Two limited authority agencies (Gambling Commission and Office of Insurance Commissioner) have received accreditation through the Washington Association of Sheriffs and Police Chiefs.

Without requiring WSCJTC to offer training to limited authority Washington Peace Officers, we will be left to start our own individual training programs for our armed Washington Peace Officers. Since we are not certified or considered “active Washington Peace Officers”, WSCJTC may no longer allow our instructors, including firearms instructors, to go through their training programs. We will have to seek instructor training from out-of-state law enforcement agencies or contract with commercial organizations.

We look forward to working with you to find solutions so that all armed Washington Peace Officers in the state are certified and trained appropriately.

Sincerely,



Chandra Brady  
Director of Enforcement and Education  
Washington State Liquor Cannabis Board



Bryon Welch  
Deputy Commissioner  
Washington State Office of the Insurance  
Commissioner



Owen Rowe  
Policy and Government Affairs Director  
Washington State Parks and Recreation



Brian Considine  
Legislative Director  
Office of the Commissioner of Public Lands,  
Washington State Department of Natural  
Resources



Tina Griffin  
Interim Director  
Washington State Gambling Commission





# State Oversight and Accountability of Peace and Corrections Officers - E2SSB 5051

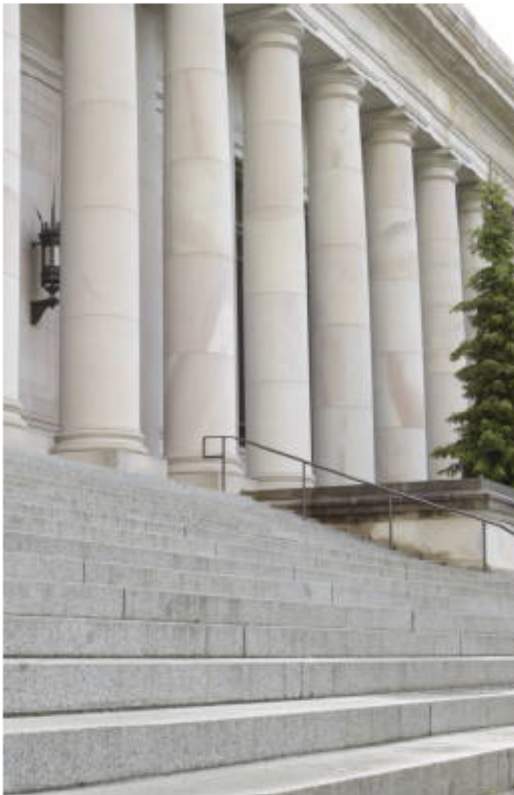
**WASHINGTON STATE CRIMINAL JUSTICE TRAINING COMMISSION**

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Prepared by: Executive Director Monica Alexander & Deputy Director Jerrell Wills  
With assistance from: Renee Berry

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## "TRAINING THE GUARDIANS OF DEMOCRACY"

Establish high standards and exceptional training to ensure that criminal justice professionals in Washington State have the knowledge and skills to safely and effectively protect the life, liberty, and property of the people they serve.

# SENATE BILL E2SSB 5051

## EXECUTIVE SUMMARY

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Established in 1974, the Washington State Criminal Justice Training Commission (WSCJTC) was created by [RCW 43.101.020](#) to provide training and set standards for criminal justice personnel in the state of Washington. In 2001, [RCW 43.101.095](#) enacted a statewide certification/certification revocation process for peace officers. During the 2021 Legislative Session, the Washington State Legislature approved [Senate Bill \(SB\) 5051](#) which was signed into law by Governor Jay Inslee as Engrossed 2<sup>nd</sup> Substitute 5051 (E2SSB). E2SSB 5051 enhanced the Revised Code of Washington (RCW) Chapter 43.101 and related statutes regarding state certification and revocation standards for oversight and accountability of peace officers and corrections officers. The bill also provided the WSCJTC authority as the state agency with responsibility for law enforcement accountability, setting forth goals of integrity, effectiveness, professionalism, public trust, and constitutional policing:

RCW 43.101.020 (2) The purpose of the Commission shall be to establish and administer standards and processes for certification, suspension, and decertification of peace officers and corrections officers. The Commission shall provide programs and training that enhance the integrity, effectiveness, and professionalism of peace officers and corrections officers while helping to ensure law enforcement and correctional services are delivered to the people of Washington in a manner that fully complies with the Constitutions and laws of this state and United States. In carrying out its duties, the commission shall strive to promote public trust and confidence in every aspect of the criminal justice system.



Gov. Jay Inslee signed a dozen bills that will improve accountability for law enforcement in Washington State, and will create the nation's strongest police accountability system. The governor, joined by community members and families of those impacted, signed the bills at the Eastside Community Center in Tacoma. 05/18/2021

E2SSB 5051 strengthens state oversight, accountability, and certification of peace officers and corrections officers by:

- Modifying the Commission’s composition to provide for a majority (15) non-law enforcement representatives.
- Expanded oversight authority of the Commission to include issuing public recommendations to the governing body of a law enforcement agency regarding command decisions.
- Defining that the Commission may act as the authority to revoke certification based upon misconduct rather than requisite conviction.
- Defining that the Commission may act either on its own initiative or upon request of an officer’s employer. The Commission will no longer have to wait to act – until all available civil service appeals, collective bargaining remedies and other avenues for disciplinary appeals.
- Commission rules to reinstatement of certification must align with its responsibilities to enhance public trust and confidence in law enforcement profession and correctional system.
- Per RCW 43.101.095(4) requires the release of personnel files to the employing agency and the Commission, including disciplinary, termination, civil or criminal investigation, or other records or information directly related to any certification or decertification matter(s) before the Commission.

Additionally, every peace officer or corrections officer must facilitate a review of any of their social media accounts immediately upon request by a representative of the Commission for the exclusive purpose to investigate alleged conduct that could result in a revocation action.

The purpose of this report to the governor and the appropriate committees of the legislature is to detail the following:

- (1) The average total number of peace officers each year who must complete the basic law enforcement academy training and the certification process without delay in order to begin work as full-time officers;
- (2) The other categories of officers, and the average total number of such officers, who must complete the basic law enforcement academy training, the certification process, or both, prior to being authorized to enforce the laws of this state on a part-time, as called-upon, or volunteer basis;
- (3) Recommendations for amendments to update and align definitions and categorization of types of officers as set forth in statute and administrative rule, to eliminate ambiguity or inconsistencies and provide better clarity for law enforcement agencies, the WSCJTC and the public as to the different types of officers, their authority, and their obligations to fulfill the requirements of chapter 43.101 RCW and other chapters;
- (4) The current backlog for admission to the basic law enforcement academy and the approach taken by the criminal justice training commission to prioritize admission to training when there is insufficient capacity to meet the demand;
- (5) The current and projected need for the number of basic law enforcement academy classes in order to meet the requirements of chapter 43.101 RCW and other chapters, and recommended funding to meet the projected need; and
- (6) Any other related recommendations.

# BACKGROUND AND CONTEXT

---

Prior to 2001, the primary function of the WSCJTC was to provide basic law enforcement training for peace and reserve officers. Successful completion of the basic law enforcement training was and is, a requisite to the continuation of employment for new officers with a law enforcement agency.

In 2001, the Legislature introduced a statewide certification/certification revocation process for peace officers. In 2005, the Legislature further required employing agencies to conduct background checks, including polygraph and psychological evaluations, for all new hire peace and reserve officers.

In 2020, the Legislature instituted training and certification requirements for correction officers, substantially the same as those required for peace officers.

State of Washington training standards and guidelines governing general authority, limited authority, specially commissioned (reserve officers), tribal and correctional officers are codified in the RCW and the WAC. The state of Washington has thousands of armed officers exercising authority within its communities each day. Many of these agencies face significant systemic obstacles, and other restrictions when attempting to access training offered by the Commission. Although their powers of authority vary by classification, the depth and frequency of training is not commensurate to the level of service and overwatch to the communities in the state.

As a legal mandate, general authority peace officers must attend the WSCJTC's 720-hour Basic Law Enforcement Academy (BLEA), and correctional officers must attend the 10-week Correctional Officers Academy (COA). However, limited authority officers are not legally mandated to attend WSCJTC's BLEA. Most often agencies select personnel who have previously held a retired peace officer certification within the previous two years.

Tribal police officers are non-mandated to attend BLEA and due to the long wait times to attend the academy, tribal police officers typically attend the Indian Police Academy (IPA) within the Federal Law Enforcement Training Center (FLETC), and then apply to attend the Basic Law Enforcement Equivalency Academy (BLEEA). Specially commissioned (reserve officers) attend a regional Basic Law Enforcement Reserve Academy (BLERA) ranging from 249 – 360 hours. Although the WSCJTC recommends minimum hours of attendance, there is no current mandate set in WAC or RCW, even though the WSCJTC is the "sponsoring agency" and provider of each certificate of completion.

This report will describe and distinguish the total number of law enforcement personnel who must complete BLEA, BLEEA, BLERA, and the certification process prior to being authorized to enforce the laws of this state whether part-time, as called-upon, or as a volunteer:

- General authority
- Limited authority
- Specially commissioned - reserves
- Tribal police officers

The report will also identify recommendations for amendments to definitions, classification of officers as set in statute or administrative code, provide clarity, eliminate ambiguity, and align the understanding held by the WSCJTC, law enforcement, and the public. The final recommendation will address the backlog for admission to BLEA and BLEEA and a proposal to rectify systemic inequities facing law enforcement agencies coupled with a projected assessment of the need for appropriate funding for future BLEA and BLEEA classes.

A facility assessment is underway and is not complete at the time of this report. The assessment will illuminate any gaps in capacity between course demand, staff, and our facilities.

## **WSCJTC FACILITY ASSESSMENT STUDY**

Due to an aging facility, infrastructure, and limited footprint, in August 2019 former WSCJTC Executive Director Sue Rahr asked WSCJTC staff to research and prepare a request for a facilities study assessment. The objective was to determine the feasibility of the facility and if the campus structures would support the anticipated increases in training demands. The WSCJTC staff collaborated with their assigned DES project manager to complete a scope of work and selected an architecture consultant to help develop a proposal.

Representative Tina Orwall and Senator Karen Keiser were the members who sponsored the capital budget request for their respective chambers. In addition, Representative Steve Tharinger, Chair of the House Capital Budget Committee, worked on drafting the bill language.

2019

- WSCJTC Facility Assessment paperwork was submitted to OFM/Legislature Budget Office for funding request.
- \$200,000 was appropriated to complete the study.

2020

- Public work request submitted to DES/Division of Engineering and Architectural Services.
- Project No. 2020-783 was assigned.

2021

- Schreiber Starling Whitehead Architects (SSW) was selected in May 2021 and the 1st meeting was scheduled for July 2021.
- WSCJTC is currently waiting for SSW to do an initial presentation based on their interviews, fact finding, research, and site visits.

# BASIC LAW ENFORCEMENT ACADEMY Peace Officers

---

BLEA is Washington's mandated training academy for all city and county entry-level peace officers in the state. Through a centralized training model, Washington ensures all officers are equipped with the same base-level understanding of their responsibility to the communities they serve, standards to uphold, and education for effective community-oriented policing. To facilitate this training, the WSCJTC hires training officers from agencies throughout the state and current subject matter experts.

The knowledge and skills taught in the BLEA provide a link to post academy training programs. The content and teaching methods are based upon the goal to provide scientifically valid and legally defensible law enforcement training. BLEA teaches Washington law enforcement personnel to make decisions within their legal authority to increase safety for all persons involved in a critical situation and decrease the likelihood of a physical force application.

With a focus on a guardian model of policing, students attend a wide array of courses throughout the 720 academy hours. In 2005, the WSCJTC, by way of [WAC 139-05-250](#) identified the following core subject areas to include common threads of communication, community policing and professional ethics throughout:

- Orientation and history of policing
- Criminal law
- Criminal procedures
- Patrol procedures
- Crisis intervention
- Emergency vehicle operation course
- Report writing
- Traffic law
- Firearms
- Defensive tactics
- Criminal investigation

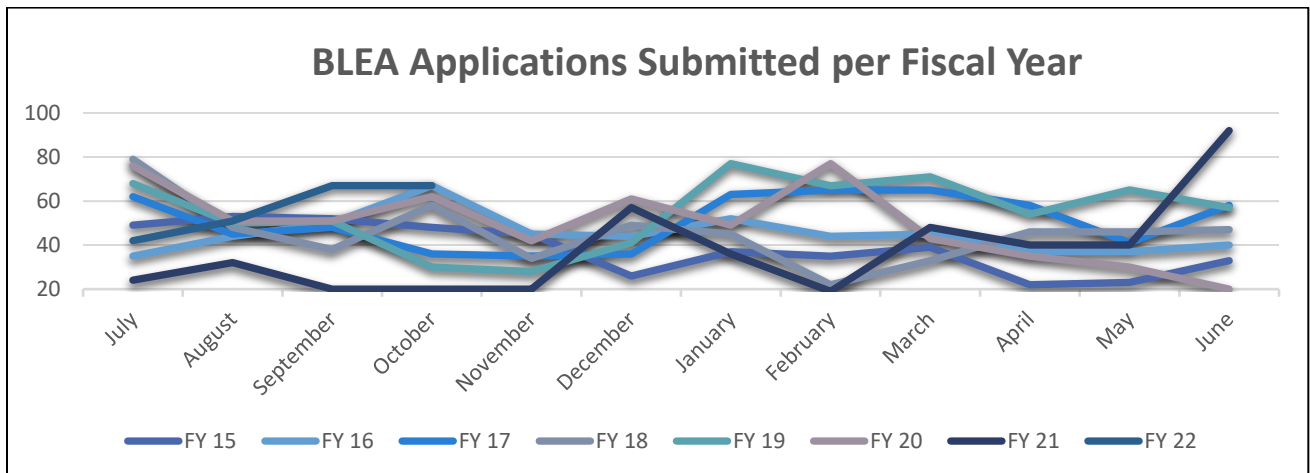
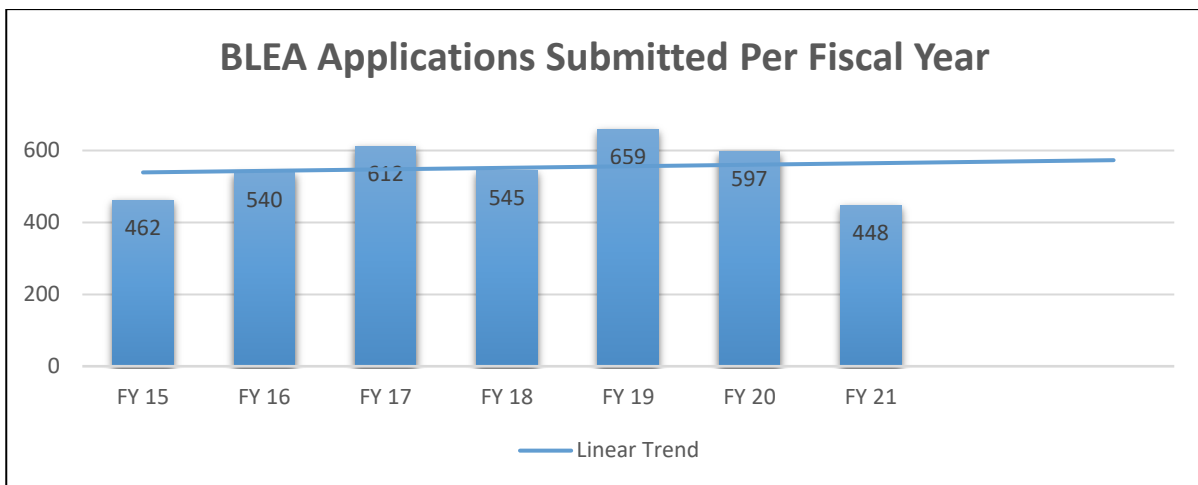
The BLEA must be completed by fully commissioned law enforcement officers of a city, county, or political subdivision of the state of Washington per [WAC 139-05-200](#) and [RCW 43.101.200](#).

- Mandated agencies: City, County, State Universities, Dept. of Fish & Wildlife, and Railroad.
- Non mandated agencies: Tribal Police, Gambling Commission, Liquor & Cannabis Board, WA State Parks & Recreation, Arson Investigators, DNR and Reserves.

Washington State does not allow for self-sponsorship to attend BLEA. All students must first be hired by a law enforcement agency who will submit application materials on their behalf. Training must be commenced within six months of hire.

## BLEA and BLEEA Enrollment: 1/1/2018 - 6/10/2021

TYPE	BLEA	BLEEA	TOTAL
County Sheriff's Office	1164	210	1273
Corrections	0	1	1
Federal	0	1	1
Higher Education	50	11	61
Marshal	0	2	2
Police Agencies	2535	298	2823
Railroad	0	8	8
Tribal	41	114	154
Gambling Commission	3	7	10
Tribal Natural Resource Enforcement	0	13	13
Liquor & Cannabis Board	52	3	55
Parks & Recreation Commission	3	0	3
Fish & Wildlife	65	0	65
			<b>4469</b>





# BASIC LAW ENFORCEMENT ACADEMY Other Categories

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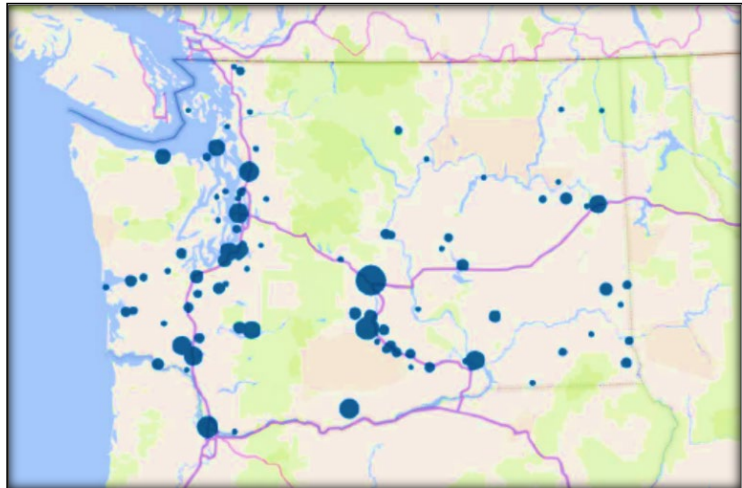
## **RESERVE OFFICERS (Specially Commissioned)**

[RCW 10.93.020\(5\)](#) definition of specially commissioned Washington peace officer for the purposes of this chapter, means any officer, whether part-time or full-time, compensated or not, commissioned by a general authority Washington law enforcement agency to enforce some or all of the criminal laws of the state of Washington, who does not qualify under this chapter as a general authority Washington peace officer for that commissioning agency, specifically including reserve peace officers, and specially commissioned full-time, fully compensated peace officers duly commissioned by the states of Oregon or Idaho or any such peace officer commissioned by a unit of local government of Oregon or Idaho. A reserve peace officer is an individual who is an officer of a Washington law enforcement agency who does not serve such agency on a full-time basis but who, when called by the agency into active service, is fully commissioned on the same basis as full-time peace officers to enforce the criminal laws of the state.

[RCW 10.93.090](#) explains: A specially commissioned Washington peace officer who has successfully completed a course of basic training prescribed or approved for such officers by the Washington State Criminal Justice Training Commission may exercise any authority which the special commission vests in the officer, throughout the territorial bounds of the state, outside of the officer's primary territorial jurisdiction under the following circumstances:

1. The officer is in fresh pursuit, as defined in [RCW 10.93.120](#); or
2. The officer is acting pursuant to mutual law enforcement assistance agreement between the primary commissioning agency and the agency with primary territorial jurisdiction.

Washington State has an active reserve officer program. While the number of reserve officers has declined in the past few years, there are still 104 agencies in the state that currently support 327 active reserves as part of their agency rosters.



## AGENCIES UTILIZING RESERVES

104 agencies in the state currently support 327 active reserves

Airway Heights PD	1	Grand Coulee PD	1	Moxee PD	3	Selah PD	5
Algona PD	2	Granger PD	3	Normandy Park PD	2	Shelton PD	1
Arlington PD	1	Grant County SO	1	Okanogan County SO	1	Snohomish County SO	11
Asotin County SO	2	Grays Harbor County SO	1	Orting PD	1	Soap Lake PD	2
Asotin PD	1	Island County SO	8	Pacific County SO	2	South Bend PD	1
Benton County SO	2	Kalispel Tribal Public Safety Dept	1	Pacific PD	3	Spokane PD	9
Black Diamond PD	1	King County SO	11	Palouse PD	2	Spokane Tribal PD	1
Castle Rock PD	10	Kittitas County SO	19	Pasco PD	5	Stevens County SO	1
Centralia PD	3	Kittitas PD	1	Pe Ell PD	1	Sunnyside PD	3
Chelan County SO	3	Klickitat County SO	10	Pierce County SO	9	Swinomish PD	1
Clallam County SO	2	Lakewood PD	5	Port Angeles PD	5	Tenino PD	2
Clark County SO	13	Lewis County SO	9	Port Gamble S'Klallam PD	1	Thurston County SO	5
Clarkston PD	2	Lincoln County SO	2	Port Orchard PD	1	Tieton PD	4
Cle Elum PD	1	Long Beach PD	1	Port Townsend PD	2	Toledo PD	3
College Place PD	1	Longview PD	1	Poulsbo PD	1	Toppenish PD	1
Columbia County SO	2	Lynden PD	1	Prosser PD	3	Twisp PD	2
Connell PD	4	Lynnwood PD	1	Pullman PD	1	Upper Skagit Tribal PD	1
Cosmopolis PD	4	Mabton PD	1	Puyallup PD	1	Wahkiakum County SO	4
Cowlitz County SO	10	Mason County SO	2	Puyallup Tribal PD	2	Wapato PD	1
Douglas County SO	2	Mattawa PD	1	Raymond PD	2	Washougal PD	1
Duvall PD	1	McCleary PD	1	Reardan PD	4	Westport PD	1
Ellensburg PD	6	Milton PD	6	Richland PD	1	Whitman County SO	5
Everson PD	2	Montesano PD	1	Roy PD	1	Yakama Nation PD	1
Franklin County SO	5	Morton PD	4	Ruston PD	2	Yakima County SO	15
Garfield County SO	1	Moses Lake PD	4	San Juan County SO	1	Yelm PD	4
Goldendale PD	1	Mountlake Terrace PD	2	Seattle PD	1	Zillah PD	3

The Reserve Academy class can range between 249 hours and 360 hours in length. The Reserve Academy curriculum adopted by the Commission is designed similar to that of BLEA, including student performance objectives for each instructional block. It is designed to provide reserves with the basic knowledge and skills required for safe, proper, and effective law enforcement service.

In 2016, the Commission mandated that reserve officers have the same in-service training requirements under [WAC 139-05-300\(2\)](#). Effective January 1, 2016, every reserve officer as defined by [WAC 139-05-810](#) will complete a minimum of twenty-four hours of in-service training annually.

1. The in-service training requirement for each newly appointed reserve peace officer must begin on January 1st of the calendar year following their appointment as a result of successful completion of the basic reserve law enforcement academy, basic reserve academy equivalency process, or approved waiver as provided by [WAC 139-03-030](#).
2. Training may be developed and provided by the employer or other training resources.
3. The commission will publish guidelines for approved in-service training.
4. As of July 1, 2018, the twenty-four hours must include the successful completion of the training commission's two-hour annual online crisis intervention course prescribed under [RCW 43.101.427](#).

## **KEY FINDINGS**

In the last 10 years, January 1, 2011 through January 1, 2021, the WSCJTC held 86 reserve academies, training 900 students. During the time period, a yearly average of nine reserve academies occurred, training on average 90 students. Although considered to have the same power and authority when called into service by their primary agency, newly created or amended WACs and RCWs usually remain silent as it relates to reserve officers.

- A WAC or RCW does not exist to define minimum or maximum allowable hours worked; weekly, monthly, or annually.
- Reserve officers are not considered certified peace officers, nor do they attain any form of certification. Reserve officers are not included in the certification revocation process and as such they cannot be entered into the National Decertification Index (NDI). Currently, the WSCJTC Learning Management System (LMS) adds a cautionary flag to the profile of the reserve officers with reported issues.
- WAC 139-05-810 provides an exception to an agency's requirement to give a conditional offer without submitting to a polygraph assessment or psychological examination even though the RCW states otherwise.

## **RECOMMENDED CHANGES**

These recommendations are intended to clarify the role of the Reserve Officer Program in Washington state by providing guidance to local agencies as well as clarity for the WSCJTC's directed oversight of the program. The recommendations will not resolve all the challenges facing the WSCJTC's oversight of the Reserve Officer Program, but in the public interests would address the most significant issues of safety and accountability.

## Academy

### Reserve Instructors

- Demonstrate strong knowledge and background in the subject matter they instruct
- Certified as Patrol Tactics Instructor (PTI)
- Each instructor would complete the WSCJTC Instructor Certification Program (ICP)

### Hours

- 360 hours of the Reserve Academy should consist of Applied Skills Training
- Post academy training would consist of 360 hours as a student of a Field Training Officer or Patrol Training Officer (FTO/PTO) program with a WSCJTC certified training officer

WSCJTC will move to eliminate the use of the term "provisional" - this term is not defined or supported by any WAC or RCW

## Certification

Reserve Officer certification would be required when called upon by their general authority agency. This would allow for certification revocation by the WSCJTC, if needed

## RCW-WAC Revision

WSCJTC will provide guidance through the WAC or RCW for general authority peace officers who retire (separate) and seek to become a reserve officer

WSCJTC to clarify through WAC and RCW that all reserve officers must complete Basic Law Enforcement Reserve Academy before eligibility to serve in uniform or enforce laws of the state

WSCJTC would establish minimum and maximum eligible hours worked each week to remain in good standing as a reserve officer

WAC rules will be created precluding take-home equipment for reserve officers and "on call" use of reserve officers

## Mandated Training Requirements

Any newly created legislation mandates should apply to reserve officers

All mandatory training for general authority peace officers should apply to reserve officers

## LIMITED AUTHORITY

[RCW 10.93.020](#) defines: Limited authority Washington peace officer means any full-time, fully compensated officer of a limited authority Washington law enforcement agency empowered by that agency to detect or apprehend violators of the laws in some or all the limited subject areas for which that agency is responsible. A limited authority Washington peace officer may be a specially commissioned Washington peace officer if otherwise qualified for such status under this chapter.

The state of Washington has approximately 19 industries employing some version of limited authority law enforcement officers.

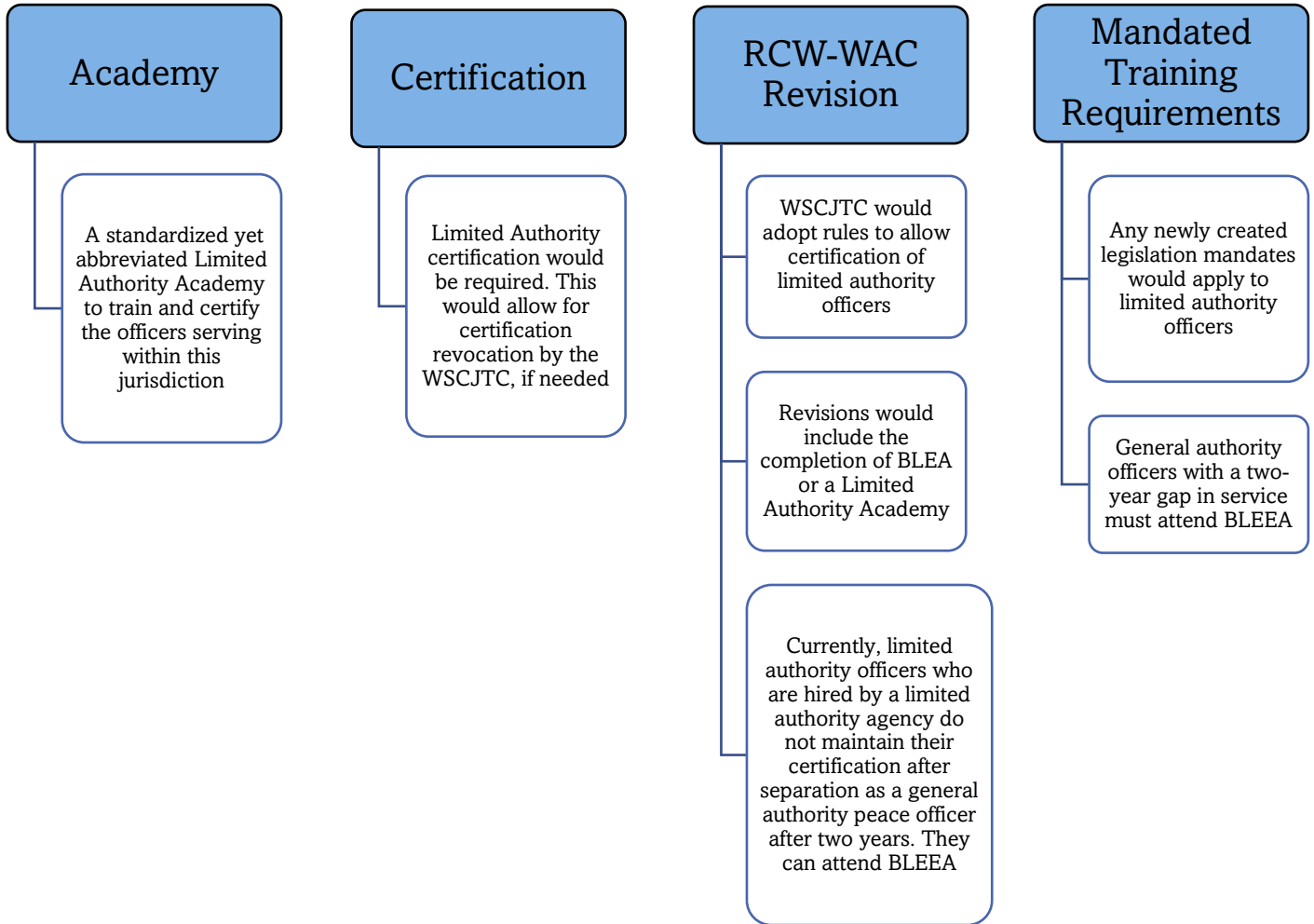
Limited Authority Agency	Armed Personnel
Washington State Patrol Fire Marshal's Office	No
Washington State Patrol Commercial Vehicle Enforcement	Yes
Bremerton Police Department (Warrant Officer)	Yes
WA State Gambling Commission	Yes
WA Utilities and Transportation Commission	No
Bellingham Police Department (Warrant Officer)	Yes
WA State Office of Insurance Commissioner	Yes
WA State Office of Superintendent	No
WA State Lottery Commission	No
WA State Office of Attorney General Medicaid Fraud Control Division	No
King County Sheriff's Office	Yes
WA State Department of Social and Health Services	No
Amtrak Railroad	Yes
WA State Liquor and Cannabis Board	Yes
WA State Department of Natural Resources	Yes
WA State Department of Agriculture	No
WA State Department of Corrections	Yes
WA State Parks & Recreation	Yes
WA State Office of Independent Investigations	No

## KEY FINDINGS

Under current rules, limited authority officers cannot acquire or maintain certification from the WSCJTC even if they previously held certification as general authority peace officer or attend the WSCJTC BLEA.

Many limited authority agencies send newly hired officers to BLEA, pursuant to a Memorandum of Understandings to ensure they receive a basic level of law enforcement training. Currently, limited authority officers are awarded a certificate of completion as opposed to being certified. While statutory definition distinguishes between limited authority and general authority officers, many limited authority agencies would prefer that the same peace officer certification be awarded upon completion of the WSCJTC BLEA.

## RECOMMENDED CHANGES



## TRIBAL POLICE DEPARTMENTS

During the 2008 Regular Legislative Session, the Legislature enacted Chapter 224, Laws of 2008 ([EHB 2476](#)) which authorized tribal police officers to act as general authority Washington state peace officers. State law provides that tribal police officers shall be recognized and authorized to act as general authority Washington peace officers, subject to the requirements stated in [RCW 10.92.020](#).

Under state law, a tribal police officer recognized and authorized to act as a general authority Washington peace officer has the same powers as any other general authority Washington peace officer to enforce state laws in Washington, including the power to make arrests for violations of state laws within the exterior boundaries of the reservation or as authorized under [RCW 10.93.070](#) and [RCW 10.92.020](#).

RCW 43.101.157 Tribal police officer certification.

(1) Tribal governments may voluntarily request certification for their police officers. Tribal governments requesting certification for their police officers must enter into a written agreement with the commission. The agreement must require the tribal law enforcement agency and its officers to comply with all the requirements for granting, denying, and revoking certification as those requirements are applied to peace officers certified under this chapter and the rules of the Commission. To ensure clarity regarding the requirements with which the tribal government and its police officers must comply should the tribal government request certification, a tribal government may first request consultation with the Commission.

(2) Officers making application for certification as tribal police officers shall meet the requirements of this chapter and the rules of the Commission as those requirements are applied to certification of peace officers. Application for certification as a tribal police officer shall be accepted and processed in the same manner as those for certification of peace officers.

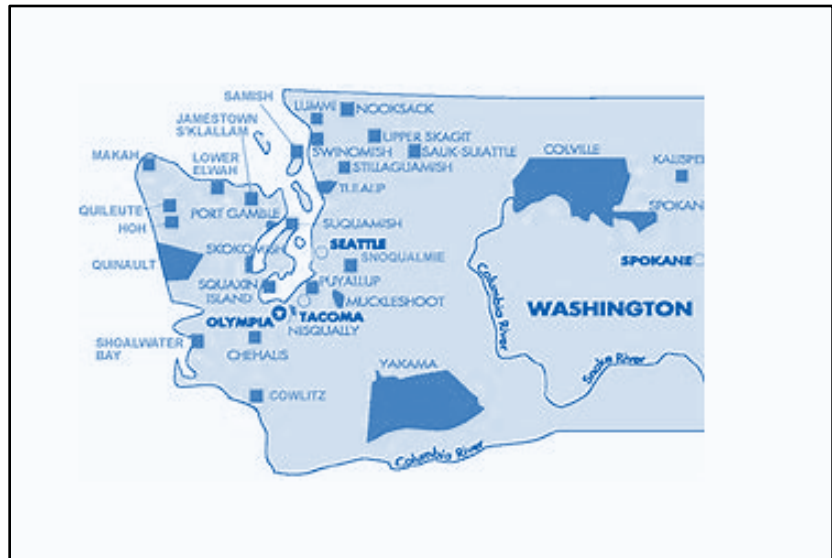
RCW 43.101.230 Training for tribal police officers and employees authorized Conditions.

Tribal police officers and employees who are engaged in law enforcement activities and who do not qualify as "criminal justice personnel" or "law enforcement personnel" under RCW 43.101.010 shall be provided training under this chapter if: (a) [(1)] The tribe is recognized by the federal government, and (b) [(2)] the tribe pays to the commission the full cost of providing such training. The commission shall place all money received under this section into the criminal justice training account.

The WSCJTC has formal Memorandums of Agreement (MOA) with 26 of the 29 tribal police departments in the state of Washington and they adhere to the same pre-hiring standards and training requirements as any peace officers in the state.

## WSCJTC/Tribal Interagency Agreements listed by Tribe:

Chehalis  
Colville  
Colville - *Natural Resource Enforcement*  
Cowlitz  
Kalispel  
La Push - Quileute  
Lower Elwha  
Lummi Nation  
Muckleshoot  
Nisqually  
Nooksack  
Port Gamble S'Klallam  
Port Gamble S'Klallam - *Department of Natural Resources Fish and Wildlife Police of Washington*  
Puyallup  
Quinault  
Shoalwater Bay  
Skokomish  
Snoqualmie  
Spokane  
Squaxin Island *Department of Public Safety and Justice*  
Stillaguamish  
Sauk-Suiattle  
Suquamish  
Swinomish  
Tulalip  
Upper Skagit



## **KEY FINDINGS**

Tribal law enforcement agencies are categorized as non-mandated in the state of Washington. Tribal police officers applying to the BLEA or BLEEA are subjected to system obstacles which delay and discourage entry due to being wait-listed by their non-mandated status. Mandated agencies are instead given priority entry due to compliance with the training requirement completion of six months. Tribal law enforcement agencies, in addition to wait-listing, are charged full costs fees between \$15,000 - \$22,000 per student while mandated agencies pay 25 percent of these costs.

In order to receive timely certification and specific training, tribal police officers attend 597.5 hours of the Federal Law Enforcement Training Center (FLETC) in Artesia, New Mexico and then apply to attend BLEEA to receive their state certification. It's clear that FLETC serves an important service and introduction to providing public safety to Indian Country and Federal Law Enforcement, but it may not align or prepare officers necessarily with Washington state policing to include current

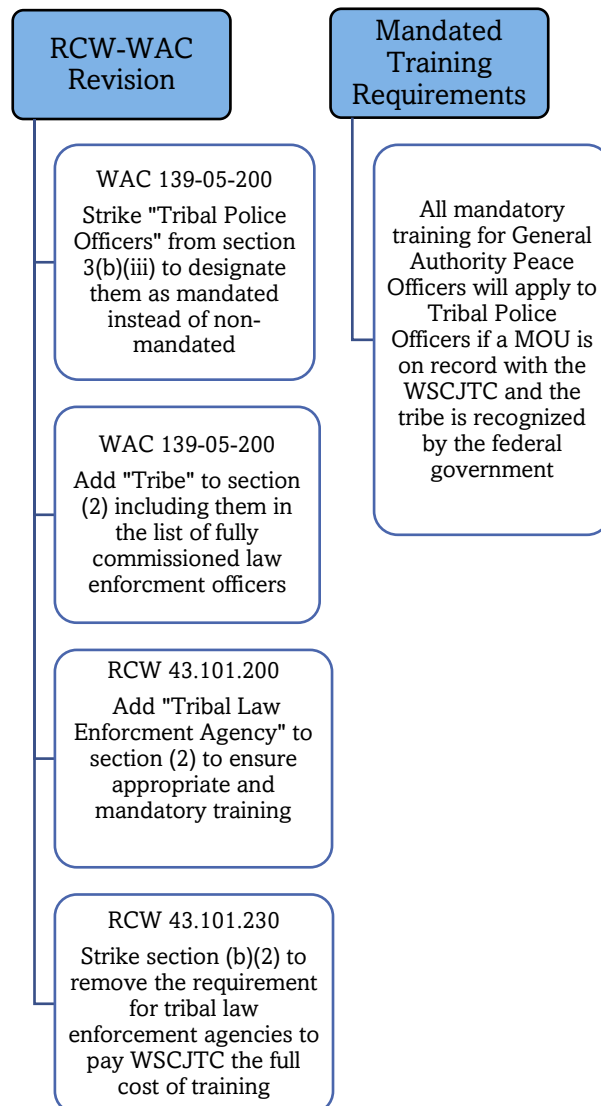


legislative mandates including Violence De-escalation, Duty to Intervene, Use of Force, or Certification Standards. It is important to note that FLETC tuition, lodging, and meals are free to tribal police officers (travel not included). This is significant compared to the unsubsidized costs of BLEA and BLEEA. Additionally, many tribal police officers attend a four to eight-week in-house, pre-academy training program where they receive introductory training in criminal law, use of force, ethics, and firearms familiarization, and then complete two weeks of post-academy training before beginning their three-to-four-month Field Training Officer (FTO) training.

Many tribal police officers are a force multiplier as it relates to enforcing Washington State Law, in coordination and cooperation with state, county, and city agencies. Allowing tribal agencies equal access to affordable and mandated training as general authority peace officers supports tribal communities and their neighbors which is good public policy.

Historically, tribal police officers and the communities they serve have not received equitable access to training that enhances the integrity, effectiveness, and professionalism deserving them. The Commission intends to establish appropriate state commitment and funding to ensure public trust and confidence is established, supported, and remains throughout Indian Country.

**RECOMMENDED CHANGES**



# DEFINITION RECOMMENDATIONS

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E2SSB 5051 Section 1 defines peace officer as having the same meaning as general authority officer under RCW 10.93.020. Peace officer is defined differently than reserve officer. Reserve officer is defined to include limited authority and specially commissioned officers as defined by RCW 10.93.020.

Section 8 (subsection1) states: As a condition of employment, all Washington peace officers, and corrections officers are required to obtain certification as a peace officer or corrections officer or exemption therefrom and maintain certification as required by this chapter and the rules of the Commission. The requirement for certification only extends to peace officers and corrections officers, but not reserve officers, therefore, the Commission concludes there is no mandate that reserve officers be certified.

## **KEY FINDINGS**

Reserve officers should attend WSCJTC sanctioned reserve officer academy, and upon completion become certified and specially commissioned by their Sheriff or Chief.

Section 9 (subsection9) states, any of the misconduct listed in subsections (2) and (3) of this section is grounds for denial, suspension, or revocation of certification of a reserve officer to the same extent as applied to a peace officer if the reserve officer is certified pursuant to RCW 43.101.095.

This language indicates that if a reserve officer is certified, they are subject to certification revocation, the same as a peace officer.

Although E2SSB 5051 connects reserve/limited authority/specially commission officers, the language does not require certification by the WSCJTC.

As noted, RCW 43.101.200 (both the old and new versions) exempt reserve officers from the requirement of completing BLEA, which is a requirement of certification. The plain language of these statutes makes it clear that a certification is not required for reserve officers.

## **CURRENT STATE OF LAW**

Under E2SSB 5051, RCW 43.101.010 was amended to include a definition for reserve officer:

When used in this chapter: Reserve officer means any person who does not serve as a peace officer of this state on a full-time basis, but who, when called by an agency into active service, is fully commissioned on the same basis as full-time officers to enforce the criminal laws of this state and includes:

- a) Specially commissioned Washington peace officers as defined in RCW 10.93.020;
- b) Limited authority Washington peace officers as defined in RCW 10.93.020;
- c) Persons employed as security by public institutions of higher education as defined in [RCW 28B.10.016](#); and
- d) Persons employed for the purpose of providing security in the K-12 Washington state public school system as defined in [RCW 28A.150.010](#) and who are authorized to use force in fulfilling their responsibilities. [RCW 43.101.010\(11\)](#).

This is a very broad definition that includes specially commissioned Washington peace officer as a subset. Prior to E2SSB 5051, reserve officer was not a stand-alone defined term in the RCW. Instead, it was included in the definition of specially commissioned Washington peace officer under RCW 10.93.020(5), whereby reserve peace officer seemed to be a subset of specially commissioned Washington peace officer, which was a more inclusive term:

As used in this chapter: Specially commissioned Washington peace officer, for the purposes of this chapter, means any officer, whether part-time or full-time, compensated or not, commissioned by a general authority Washington law enforcement agency to enforce some or all of the criminal laws of the state of Washington, who does not qualify under this chapter as a general authority Washington peace officer for that commissioning agency, specifically including reserve peace officers, and specially commissioned full-time, fully compensated peace officers duly commissioned by the states of Oregon or Idaho or any such peace officer commissioned by a unit of local government of Oregon or Idaho. A reserve peace officer is an individual who is an officer of a Washington law enforcement agency who does not serve such agency on a full-time basis but who, when called by the agency into active service, is fully commissioned on the same basis as full-time peace officers to enforce the criminal laws of the state. RCW 10.93.020(5). RCW 10.93.020 also provides a definition for “limited authority Washington peace officer:

As used in this chapter: Limited authority Washington peace officer means any full-time, fully compensated officer of a limited authority Washington law enforcement agency empowered by that agency to detect or apprehend violators of the laws in some or all of the limited subject areas for which that agency is responsible. A limited authority Washington peace officer may be a specially commissioned Washington peace officer if otherwise qualified for such status under this chapter. RCW 10.93.020(6).

Neither RCW 10.93.020(5) nor (6) were amended by E2SSB 5051 or any other legislation from the most recent term, so they remain unchanged. While RCW 10.93.020 was amended in ESHB 1267, (5) and (6) were unchanged.

What the Legislature has done is created differing definitions for these terms that mean different things in the differing chapters of the RCW. While it’s understood that this could cause confusion to a layperson, it is fairly clear that these definitions apply only to their respective chapters of the RCW. The definitions that have been changed by E2SSB 5051 only apply to Chapter 43.101 RCW, as is clearly stated in the statutory language. The plain language is clear and there is no ambiguity here – the definitions only apply to the chapter for which they are provided.

The local jurisdictions throughout the State do not draw their authority to issue full or limited commissions from RCW 43.101. That comes from elsewhere in state law. The definitions provided in E2SSB 5051 only apply to the subject matter provided in RCW 43.101, such as the standards for pre-employment background checks and certification. The definitions do not apply to the commissioning of officers as that subject matter is not included in RCW 43.101. and E2SSB 5051 does not change the definition of reserve, specially commissioned, or limited authority peace officers for commissioning purposes.

# BASIC LAW ENFORCEMENT ACADEMY Backlog

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## **CLASS SELECTION PRIORITIZATION PAST PRACTICES**

Historically, recruits from mandated law enforcement agencies were assigned to a BLEA class on a first come, first served basis, based on the date that the application packet was received. Non-mandated law enforcement agencies were put on a waiting list. Mandated agencies were reminded that they didn't have to wait until they had hired a recruit. However, they were to submit a complete packet which includes: Statement of Fitness, Liability Release, and Application Page.

Exceptions:

- Agencies that provided Training, Advising, and Counseling (TAC) officers were prioritized, and every effort was made to get recruit's entry to a class within 90 days of application.
- Agencies that provided training vehicles were moved up the list when a recruit spot became available.
- Small agencies received extra consideration whenever possible due to the impacts of a vacancy and officer safety.
- Other exigent circumstances are taken into consideration whenever possible.

WSCJTC accomplished these exceptions by filling alternate positions to ensure that no agency lost an academy spot once they received a start date.

## **BASIC LAW ENFORCEMENT ACADEMY FUNDING**

Washington State has been nationally recognized for their progressive and effective police training, in part because of its centralized model. In 1984, the legislature created the model and a funding mechanism that functioned exceptionally well, until 2009. The Public Safety and Education Account (PSEA), a dedicated account funded by a surcharge on traffic citations, fully funded law enforcement training and other public safety measures. However, since the account was eliminated during the recession, those special surcharge fees continue to be collected and deposited, but now into the general fund with no designation for law enforcement training.

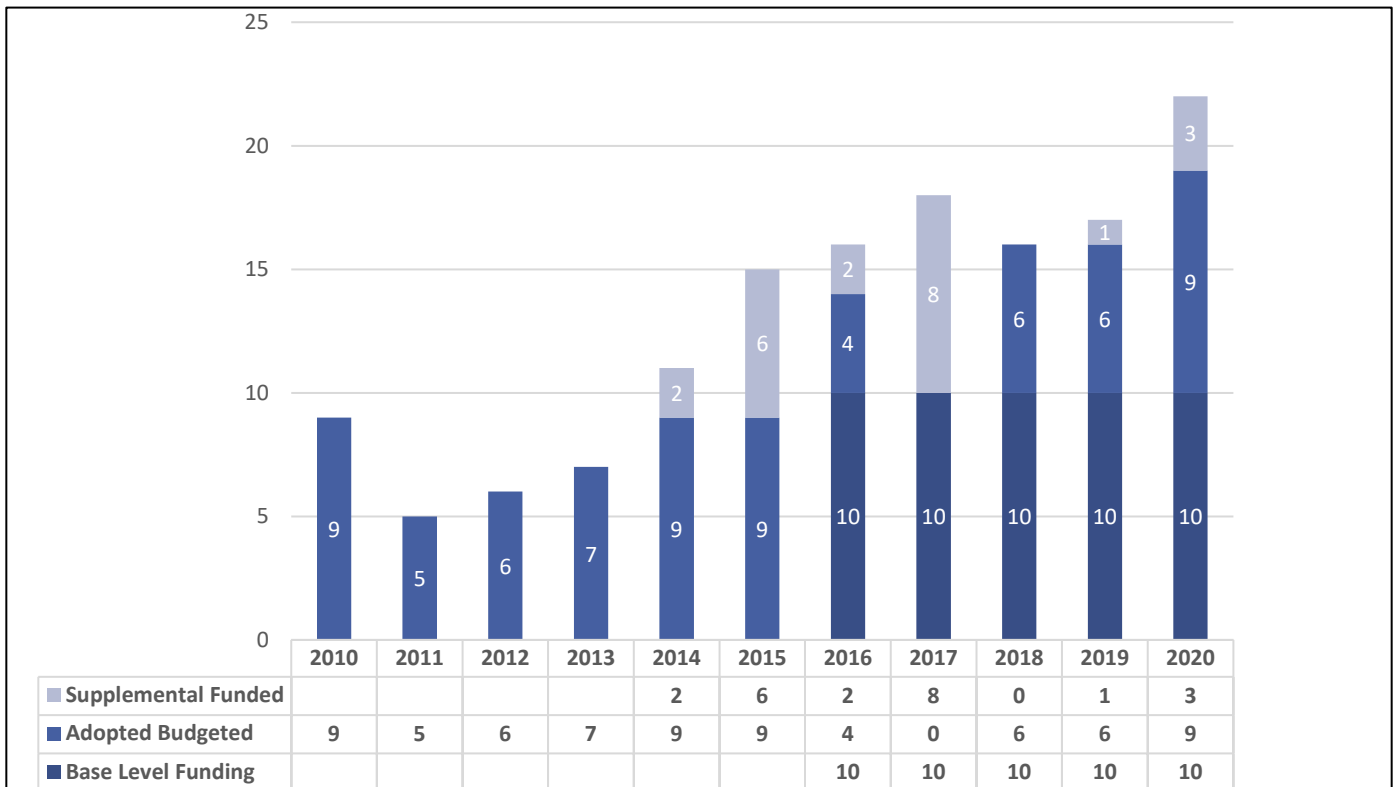
This has become a problem since a major surge in hiring began statewide in 2013 and has tripled the demand for BLEA classes since 2009. This hiring surge has two significant and simultaneous drivers:

- (1) Economic recovery has allowed agencies to fill hundreds of vacancies held during the recession and,
- (2) An unprecedented number of police retirements.

In Fiscal Year 2021, the WSCJTC was funded for 15 BLEA classes in the base budget, to train 450 students per year with 30 students per class. However, since 2013, the academy has

consistently experienced a demand for training nearly double that level. Because each year has been underfunded to meet the demand, a significant backlog has built up creating hardship and frustration for local agencies having to wait up to seven months for a recruit to attend BLEA. Local agencies incur an extraordinary expense of paying recruits while waiting for a BLEA spot, and there is an increased public safety risk of low staffing and tired law enforcement officers required to back-fill for staffing shortages. This will create a financial hardship on local agencies as they would be paying a new hire salary and benefits but not have the additional body on patrol for over a year. An urgent safety issue is created as law enforcement agencies are understaffed and existing officers will need to work overtime for prolonged periods as the law enforcement agency don't have sufficient officers to cover all shifts until new officers are trained.

### Basic Law Enforcement Academies by Fiscal Year



For the past several years, the WSCJTC has submitted supplemental budget request to meet the training needs. Unfortunately, the lag time in the supplemental process makes it impossible for the BLEA classes to be added before the end of the fiscal year leading to a persistent wait list and delay for training. (See above graph).

During the past seven years, the WSCJTC has received an average of 552 applications per year. The WSCJTC estimates that it will receive at least 564 new applications per year in Fiscal Year 2022 and 600 new applications in Fiscal Year 2023.

The WSCJTC will need a minimum of 19 BLEA classes per year, to train 570 students, to keep up with the demand and eliminate the backlog.

In the supplemental budget request, the WSCJTC has requested an additional four classes in Fiscal Year 2022 and five classes in Fiscal Year 2023. This would increase the funding for 19 classes in Fiscal Year 2022 and 20 classes in Fiscal Year 2023.

## BASIC LAW ENFORCEMENT ACADEMY BACKLOG

The BLEA backlog can be solved by increasing the base level of funding to 20 classes in Fiscal Year 2023. We have reviewed the data for the past five years and see no evidence that the demand for training is going to subside any time in the next five years. In fact, all indications are that retirements are going to increase, driving up the need to hire more officers. Many counties are adding officers for public safety contracts with growing transit authorities and local airports. The academy stands ready to respond to any type of proviso requiring annual reporting of the level of demand for training.

<b>Basic Law Enforcement Academy</b>		
<b>Cost to add 4 classes to eliminate backlog</b>		
<b>BLEA Class Expenses</b>	FY 2022	FY 2023
Totals	\$440,039	\$440,039
<b>Total expense to eliminate backlog</b>	\$303,237	\$2,220,947

# CONCLUSION

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For decades underrepresented communities have expressed concerns and fears about the over policing of their neighborhoods. After recent national and local video footage of police interactions leading to the deaths of Black and Brown people surfaced, there began a collective expression of concern and momentum to reform the industry of law enforcement. Across the country and in the state of Washington, law enforcement stands at the precipice of the greatest change in community engagement since its inception.

This opportunity must not be squandered or ignored, but rather embraced and underscored by police leadership and its partners. The communities that are served will no longer accept resistance or refusal to the necessary change and expect the WSCJTC to serve as the assessors of the police adherence and the realization that policies and practices must change. Being a police officer remains a noble and selfless profession, so respectful and earnest community accountability is the only acceptable conclusion.

In the last five years the WSCJTC has trained more than 2,841 officers. We believe with proper training, great communication, support of the legislators and community we will continue to be the best training facility in the nation.

The WSCJTC strives to build upon the hard work and reputation established in the previous decade. We appreciate the opportunity to take a deep dive into the challenges and gaps in our system, and the recommendations to follow. The support we enjoy from our partners and legislators will allow us to continue training the thousands of Guardians of Democracy for many more decades to come.

