



**WASHINGTON STATE GAMBLING
COMMISSION SPECIAL MEETING
March 9 & 10, 2023**

Washington State Liquor and Cannabis Board
Olympia, Washington

COMMISSIONERS



Alicia Levy
Chair



Julia Patterson
Vice Chair



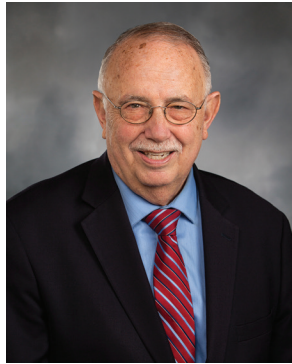
Bud Sizemore



Sarah Lawson

Vacant

EX OFFICIOS



Senator
Steve Conway



Senator
Jeff Holy



Representative
Shelley Kloba



Representative
Skyler Rude



Washington State Gambling Commission

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

(360) 486-3469 | (800) 345-2529 | www.wsgc.wa.gov



WAGamblingCommission



WAGambling



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STATE OF WASHINGTON

GAMBLING COMMISSION

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

Gambling Commission Meeting Agenda

March 9 & 10, 2023

Meeting will be held virtually through Teams and in person at the Washington State Liquor and Cannabis Board 1025 Union Avenue SE Olympia, 98501

To join the meeting virtually through TEAMS Click here

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 (*)

Thursday, March 9, 2023

PUBLIC MEETING

Thursday, March 9, 2023	
PUBLIC MEETING	
9:30 AM	<p>Call to Order <i>Alicia Levy, Chair</i></p> <p>Tab 1 *Consent agenda (Action)</p> <ul style="list-style-type: none"> • February 9, 2023 Commission Meeting • New Licenses and Class III Employees • Electronic Raffle Report - Page 37 • Manufacturers Report – Page 39 • Non-profit officer working in multiple organizations – Page 44 <p><i>Public Comment</i></p>
Tab 2	<p>*Petition for Review – Potential Closed Session (Action)</p> <p>Chanmalaty Touch , Case No. CR 2021-01221</p> <p style="text-align: right;"><i>Doug Van de Brake, Assistant Attorney General</i> <i>Frank Huguenin and B. Jeffrey Carl, Attorneys for the Petitioner</i></p>
Tab 3 Page 46	<p>Presentation - Perry Technical Foundation (Action)</p> <ul style="list-style-type: none"> • Raffle Prize Limit Approval <p style="text-align: right;"><i>Sandra Shah, Special Agent</i> <i>Cathy Sterbenz Vice President of Finance & Administration</i> <i>Tressa Shockley, Perry Tech Director of Foundation</i></p> <p><i>Public Comment</i></p>
Tab 4	<p>Budget Update</p> <p style="text-align: right;"><i>Kriscinda Hansen, Chief Financial Officer</i></p>
Tab 5 Page 54	<p>*PETITION FOR DISCUSSION AND POSSIBLE FILING (Action)</p> <ul style="list-style-type: none"> • Staff Proposed License Fee Adjustment <p style="text-align: right;"><i>Lisa McLean, Rules Coordinator and Policy Manager</i> <i>Kriscinda Hansen, Chief Financial Officer</i></p> <p><i>Public Comment</i></p>
Tab 6	<p>*PETITION FOR DISCUSSION AND POSSIBLE FILING (Action)</p>

Page 68	<ul style="list-style-type: none"> Sports Wagering Vendor License Fee <p style="text-align: right;"><i>Lisa McLean, Rules Coordinator and Policy Manager</i> <i>Kriscinda Hansen, Chief Financial Officer</i></p> <p><i>Public Comment</i></p>
Tab 7 Page 79	<p>*PETITION FOR DISCUSSION AND POSSIBLE FINAL ACTION (Action)</p> <ul style="list-style-type: none"> Wagering Limits for House-Banked Card Games <p style="text-align: right;"><i>Lisa McLean, Rules Coordinator and Policy Manager</i></p> <p><i>Public Comment</i></p>
Tab 8 Page 251	<p>*PETITION FOR DISCUSSION AND POSSIBLE FILING (Possible Action)</p> <ul style="list-style-type: none"> Debit Card Rules AToM <p style="text-align: right;"><i>Lisa McLean, Rules Coordinator and Policy Manager</i></p> <p><i>Public Comment</i></p>
Tab 9 Page 269	<p>*PETITION TO INITIATE RULE MAKING (Action)</p> <ul style="list-style-type: none"> Progressive Jackpot <p style="text-align: right;"><i>Lisa McLean, Rules Coordinator and Policy Manager</i></p> <p><i>Public Comment</i></p>
	<p>Executive Session – Closed to the Public (Working Lunch) To discuss current and potential agency litigation with legal counsel, including tribal negotiations.</p>
Friday, March 10, 2023	
PUBLIC MEETING	
9:30 AM	<p>Welcome and Reconvene <i>Alicia Levy, Chair</i></p> <p>Call to Order <i>Tina Griffin, Director</i></p>
Tab 10	<p>Presentation - Problem Gambling Awareness Month <i>Roxane Waldron, MPA Problem Gambling Program Manager</i> <i>Maureen Greeley, Executive Director, Evergreen Council on Problem Gambling</i></p>
Tab 11 Page 274	<p>*PETITION TO INITIATE RULE MAKING (Action)</p> <ul style="list-style-type: none"> Self-Exclusion <p style="text-align: right;"><i>Lisa McLean, Rules Coordinator and Policy Manager</i></p> <p><i>Public Comment</i></p>
Tab 12	<p>2023 Legislative Update (Possible Action) <i>Tommy Oakes, Interim Legislative Liaison</i></p> <p><i>Public Comment</i></p>
	<p>Executive Session – Closed to the Public (Working Lunch) To discuss current and potential agency litigation with legal counsel, including tribal negotiations.</p>
	<p>Public Comment can be provided via:</p> <ul style="list-style-type: none"> Email before the start of the meeting on March 9, 2023, to askus@wsgc.wa.gov Microsoft Office Teams Chat Box. By phone; or In person.
	Adjourn

Upon advance request, the Commission will pursue reasonable accommodations to enable persons with disabilities to attend Commission meetings. Questions or comments pertaining to the agenda, rule changes and requests for special accommodations should be directed to Julie Anderson, Executive Assistant at (360) 486-3453 or TDD (360) 486-363. If you would like to submit public comment via email, please submit them to askus@wsgc.wa.gov

Please silence your cell phones and mute your mics for the public meeting.



STATE OF WASHINGTON
GAMBLING COMMISSION

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

February Gambling Commission Meeting Minutes
Hybrid Meeting held at the
Washington Liquor and Cannabis Board
February 9, 2023

Commissioners Present:

Chair Alicia Levy
Vice Chair Julia Patterson
Bud Sizemore
Sarah Lawson (Via Teams)

Ex Officio Members Present:

Representative Shelley Kloba (Via Teams)

Staff Present:

Tina Griffin, Director
Chris Wilson, Deputy Director
Lisa McLean, Legislative Manager
Tommy Oakes, Interim Legislative Liaison
Suzanne Becker, Assistant Attorney General (AAG)
George Schultz, IT
Julie Anderson, Executive Assistant

Staff Present Virtually:

Gary Drumheller, Assistant Director; Julie Lies, Tribal Liaison; Kriscinda Hansen, CFO; Jess Lohse, Special Agent and Acting Rules Coordinator

There were 16 people in the audience and 49 people attended virtually.

Chair Levy welcomed everyone to the Washington State Liquor and Cannabis Board for the Washington State Gambling Commission's February 9, 2023 meeting. The meeting began at 9:30AM, and Director Griffin called the roll to ensure a quorum.

Tab 1

Consent Agenda

Chair Levy asked the Commissioners if they had any changes to the consent agenda. Commissioners had no changes.

Public Comment:

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

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

Commissioner Patterson seconded the motion.

The motion passed. 4:0

Director's Report

Director Griffin announced that there are now 14 operating sports-wagering operations in tribal facilities throughout the state.

She also announced that 2023 was the Washington State Gambling Commissions 50th year as an agency. The agency is planning a recognition in conjunction with the May 11th and 12th commission meeting. Director Griffin asked commissioners to confirm their attendance and asked for their opinion as to which day they would prefer to hold the recognition. Commissioners agreed to attend and that Thursday, May 11, 2023 from 3:00 to 5:00 seemed to be the best date and time. They agreed that former Commissioners, Ex Officios, Staff and the Governors office should be invited.

Tab 2

Petition for Discussion Only – Wager Limits for House-Banked Card Games

Jess Lohse, Special Agent (SA) presented the materials for this tab. At the January 2023 Commission Meeting, staff brought forward four possible rules with draft language. They were labeled A, B, C, and D. The Commissioners voted to file draft language for option B, which was to increase the maximum wagering limits from \$300 to \$500 for a single wager.

Commissioners had several questions and asked staff to provide answers by the next commission meeting. Staff pulled the August 2022 and January 2023 transcripts and attempted to identify the questions that were asked.

On January 27, 2023, the agency received an email from Jerry Howe, Owner of Wild Goose Casino in Ellensburg, in support of the petition.

Staff recommends filing for further discussion.

Chair Levy thanked staff for their work and asked if anyone had any questions.

Director Griffin reiterated that in the packet staff flagged each question with a corresponding number so that the question and answers were easily identifiable.

Commissioner Sizemore asked should the Commissioners contemplate changing WAC 230-03-175 if raising the wager limits, he suggested having a robust discussion about the process and what that means in relation to having a \$400 wager verses a \$500 wager.

Commissioner Patterson also agreed that a robust discussion would be helpful. She had two points to address.

First, she would like more information regarding the number of House-Banked Cardrooms in Washington from 1997 to present.

Second, she suggested the need to look at adding some language regarding problem gambling to the rule. She stated that even though it was in options A and B, in her opinion she thinks adding some language looking further at revisions.

Director Griffin wanted to address question #6 regarding Tiers 1, 2 and 3 supplier impacts from the August transcripts. **Chair Levy** replied that was no need to continue research on that

questions and Commissioners agreed. **Chair Levy** reiterated that staff will not be providing any additional information on question #6 from the January packet.

Director Griffin asked about question #7. It was also determined that staff did not need to proceed any further on question #7.

Chair Levy asked for public comment on raising the limits.

Victor Mena, President of Last Frontier and New Phoenix in La Center, Washington stated, *“I have been in the industry for quite a bit of time. I started in 2001, and I have gotten back into the industry just recently. I would like to speak to the rule as far as being in favor of seeing it passed. Obviously, I was one of the people that dropped this rule back in 2016. At that time, the reason for trying to pass it then was foreseeing the expenses that were coming down the pipe with legislation through minimum wage, ACA, and other regulatory conversions in state. My purpose at that moment was to be in front of it to be pre-emptive.*

Because, in 2016, we roughly had somewhere between 50 and 60 cardrooms. And that was down from a high of 102, roughly, in 2005. And what we were seeing as a trend where the cardroom industry was starting to deteriorate. And I think I even put it on the record on several meetings that I projected that by the time minimum wage took absolute hold and passed all the way through that we would be down to somewhere between 30 and 35 cardrooms. We are currently at 38, so we are not far from that number.

We just saw a 9.1% increase in minimum wage roughly in the State of Washington. And that is a prelude only to the next increase coming in September after CPI gets looked at. And the CPI number then is probably going to be somewhere in the neighborhood of 4.5% if we are lucky as trends are going. So with that, I can tell you right now that the average cardroom in the state is probably experiencing a range of anywhere from \$10,000 to \$30,000 of excess payroll just with this current increase, so we are speaking to \$10,000 to \$30,000 per month as an increase. So it is a situation where you are going to see an erosion of the industry as it moves forward. This Commission is also going to be staring at the fact that their revenues are in jeopardy and needing to be adjusted.

As a matter of fact, I believe you guys are speaking on raising the cap on these businesses. So it's the same problem that we are all experiencing, We are all in the same boat. We are seeing the impact of getting people to a livable wage. So with that, I definitely am in support of seeing it go to \$300 to \$500. It had been 2008 when it was discussed to go to \$300. It was passed in 2009. In 2009, I think the minimum wage is somewhere around \$9 an hour. You have some jurisdictions in the state where it's over \$19 an hour. So it's just a byproduct economics as to why the industry is asking for this”.

Vice Chair Patterson asked Mr. Mena in the industry, what has been done to deal with higher prices with minimum wage? **Mr. Mena** replied, *“We have had to raise food prices. We have had to raise beverage prices. It's absolutely a certainty that in the last three years, we have probably seen a 30% increase in food and beverage prices, and we have had to make those increases. I*

can tell you that. It is extremely painful to see our food costs as an industry. It's somewhere between 40%, and in some places it's probably closer to 60% depending on the operators. So it is absolutely a burden that we have been trying to adjust”.

Berry Murray representing Imperial Palace stated, *“I just wanted to echo Victor's statements and also speak in favor of the raising of the limit. We are experiencing the food costs that he just outlined firsthand. I mean, it used to be you could hit 35% or thereabouts, and now you are 45%, and that's if you are kind of keeping your prices at a reasonable level. Everything is up. Beverage cost is up. Beer cost is up. Liquor cost is up. And the minimum wage is mind-boggling, to be quite honest, from an expense standpoint as we continue. So I'm certainly in favor of whatever we can do to try to mitigate some of that. And certainly the wage limits I think could be a factor, whether it's to \$500 or \$500 in addition to potentially \$1000, as well, for the three tables as outlined in one of the options. But I just wanted to express my support for it, we as a company. And appreciate everybody's time”.*

Chair Levy asked if there were any further public comments. There were none.

Director Griffin asked if the Commissioners wanted to continue the conversation about the RCWs and the WACs. She stated that **RCW 9.46.010** sets out the legislative declaration.

RCW 9.46.0217. It means any activity as operated as a commercial stimulant for the purposes of this chapter only when it is an activity operated in connection with the established business or within established business, with the purpose of increasing the volume of sales of food or drink for consumption on the business premises. The Commission may by rule establish guidelines and criteria for applying this definition to its applicants and licensees for gambling activities authorized in this chapter as commercial stimulants.

RCW 9.46.070(2) authorizes the Commission to issue licenses for a period not to exceed one year to any person, association, or organization. operating a business primarily engaged in the selling of items of food or drink for consumption on the premises, approved by the Commission, meeting the requirements of this chapter and any rules and regulations adopted pursuant thereto, permitting said person, association, or organizations to utilize punchboards, pull-tabs, and to conduct social card games as a commercial stimulant in accordance with the provisions of this chapter. Any rules and regulations adopted pursuant thereto, and to revoke and suspend said licenses for violations in the provisions of this chapter any new rules and regulations pursuant thereto.

Director Griffin said, focusing on the commercial stimulant aspect first, and then we can talk about your authority to set wagers second. She then read the definition of WAC 230-03-175. Both the definition of commercial stimulant and the RCW and in the powers and duties statute in RCW 9.46.070(2). Both talk about established businesses and primary and the definition of primarily engaged in the selling of food or drink for consumption on premises. That evidence includes, but is not limited to, (1) proof of an established business as used in RCW 9.46.0217. Established business means any business that has been open to the public for sales of food or drink for on-premises eating and drinking for 90 days or more, or passes an inspection by us is ready to conduct food or drink sales and gives us a proposed operating plan, which includes hours of operation, estimated gross sales from each separate activity the business will conduct on the business premises, including, but not limited to gross sales from food or drinks sold for on-premises eating or drinking and gross sales from food or drink sold to-go and gross sales from all

other business activities. Director Griffin explained that that was how the Commissioners have chosen by rule to define established business, and it all links back to the definition of commercial stimulant. And then (2) goes on to state and addresses the primarily engaged-in section. So (2) says proof that it is primarily engaged in the selling of food or drink for consumption on premises as used in 9.46 [audio cuts out], the phrase primarily engaged in the selling of food or drink for consumption on premises, means that before receiving a gambling license, the business has total gross sales of food or drink for on-premise consumption receiving the gambling license. The business has total gross sales of food or drink for on-premise consumption equal to or greater than the combined sales of all other activities which occur on the business premises. So that is how, again, the Commissioners in 2007 by rulemaking chose to define the quoted phrase from RCW 9.46.070(2).

Chair Levy explained that before receiving a gambling license, the business applying for the license has to show their gross sales of food or drink.

Vice Chair Patterson asked when did the commission establish the \$300 limit. **Director Griffin** replied that it was filed in 2007, and was in effect 1/1/2008.

Vice Chair Patterson asked when the \$300 limit was approved for cardrooms. **Director Griffin** replied that that information along with the rule summary for final action for the \$300 limit would be in the March packet.

Commissioners Lawson asked if this is a one-time showing, that they are primarily engaged in? Or do they have to annually recertify that they are primarily engaged in the business of food and drink? She also asked if we had the records from the rulemaking of WAC 230-03-175 regarding the discussion or the public comments from when the rulemaking was done?

Director Griffin reiterated that the Commissioners are seeking the public comment received and/or made in the development of rule 230-03-175. Commissioners agreed.

Victor Mena stated, *"It is a confusing WAC, and it is a confusing RCW as far as the intent. But I believe what it is trying to say is by primarily meaning that food and beverage is the primary source of the business that is being licensed. In other words, it's not going to be selling cannabis. It's not going to be selling tobacco. It's not going to be selling clothing. It is a food and beverage primary business, meaning that food and beverage sales are its main driving force before the gambling license checks in. Now, that's my interpretation of that. I'm sure that we can have the AG weigh in, but that is the intent of what that WAC is. Now, as far as when that was rewritten, that is coming real close to rule simplification. And some of that rule simplification, I'm not sure if all of it went through public comment"*.

Chair Levy asked for further public comment.

Director Griffin read the definition of RCW 9.46.070(11). This is where the legislature has outlined your powers and duties. Number 11 states that the Commission shall have the following powers and duties to regulate and establish the type and scope of and manner of conducting the gambling activities authorized by this chapter, including but not limited to the extent of wager, money, or other thing of value which may be wagered or contributed or won by a player in any such activities.

Director Griffin reminded commissioners that the earliest they could proceed forward with final action would be at the March meeting. This information will be in the March commission packet as discussion only or for possible action moving forward. The stakeholder meeting will occur on February 13 and February 27th.

Tab 3

Petition For Discussion and Possible Filing – Amusement Games

Lisa C. McLean, Legislative/Policy Manager and Rules Coordinator (LPM) presented the material for this tab. She introduced a petition to amend WAC 230-13-80 related to Operating Coin and Token Amusement Games. She stated that we received the petition in April 2020 from Steve Manning of Tacoma, Washington. He asked to amend the WAC that defied a department or grocery store as a venue with 10,000 or more square feet of retailer support space. The need for the change arose from the challenges that COVID was placing on non-essential businesses. The petitioner believed that the change would allow amusement game operators the ability to expand the number of locations where Amusement Games could be placed. At the May 2020 Commission Meeting, Commissioners initiated rulemaking.

In April 2022, the petitioner submitted a request to withdraw the petition, and on May 9, 2022, staff withdrew rulemaking with the Code Reviser. So today, staff seeks Commissioners concurrence in withdrawing the rulemaking as requested by the petitioner. Alternatively, Commissioners could direct staff to reinstate rulemaking.

Vice Chair Patterson moved to withdraw the notice of rulemaking as requested by the petitioner.

Commissioner Sizemore moved to second the motion.

The motion passed. 4:0

Tab 4

Petition For Discussion and Possible Filing – Centralized Surveillance

Lisa C. McLean, Legislative/Policy Manager and Rules Coordinator (LPM) presented the materials for this tab. In November 2021, Tim Merrill of Maverick Gaming of Kirkland, Washington submitted a petition to amend the existing rules to allow for the ability to monitor cardroom gambling activity from a centralized surveillance room rather than having to monitor on the premises. The petitioner felt that the change was needed to enable staff to be together in a central location where they could be observed by experienced surveillance management that could provide consistent training. A centralized location would be an opportunity to promote consistency and allow instant communication to gaming agents as well as quick and effective response to equipment malfunctions.

The petitioner noted that the change would allow for an efficient surveillance room operation in these times when it is difficult to find employees and qualified people are needed to protect the casinos assets, customers, employees, and to maintain compliance. Currently, the rules require that Class F and house-banked cardroom licensees maintain analog or digital closed-circuit television systems within their licensed premises that is monitored by the licensee's cardroom

employees. At the January 2022 Commission Meeting, Commissioners chose to initiate rulemaking that would address a number of policy concerns raised by the staff. The petitioner noted that they have received special permission in Colorado and Nevada to operate a centralized surveillance room. Staff has confirmed that Nevada and Colorado have approved variances authorizing centralized surveillance rooms for Maverick. The Nevada Gaming Commission and Nevada Gaming Control Board's Regulations 5.160 related to surveillance systems allows licensees to seek revisions and exemptions to the casino surveillance standards.

Staff recommends withdrawing rulemaking due to a list of policy concerns. An alternative would be for Commissioners to direct staff to proceed with rulemaking that addresses the policy concerns raised.

Vice Chair Patterson asked if there were policy concerns verses just unanswered questions about how the facility would operate.

Director Griffin answered that this is not something currently authorized in Washington state nor is it prevalent in other states.

Chair Levy asked for public comment.

Eric Persson, owner of Maverick Gaming replied, *"We submitted this about a year ago. I think Victor has done a good job. [Indistinct] has done a good job sort of outlining the pressures that are on card in terms of all the costs that are rising. And I do operate in Nevada and Colorado, and we do have centralized surveillance. And we contemplated buying some casinos in the South, and the satellite routes do have centralized surveillance. So it's absolutely happens in other states in this country, including the jurisdictions that I operate in currently. One of the main benefits is in gaming, unlike food and beverage, you can't just have people lose more money. You can't just -- like blackjack. You take 20% more when your cost of labor goes up 20% more. They're gambling, and so you have to find other ways to contain cost market become more successful.*

And from our perspective, from Maverick's perspective, we thought it would be non-controversial, frankly because what it allows us to do is build a centralized surveillance area and, again, Commission direct tie-in. It's no secret that the WSGC is severely underfunded. It's short on agents and administrative staff. We thought that this would be a convenience not only for the operators but also for the Commissioners in the WSGC. Labor is very difficult to find qualified people. And so, if we could have one area and perhaps pay more and be able to compete with Microsoft and Amazon, and everyone understands the compensation package is that is in the Seattle MSA, it's not easy. And some of these smaller properties have to have surveillance 24 hours a day, and they have an agent on board. And frankly, if we wouldn't have bought them and realized some of the consolidation efficiencies through other areas, those cardrooms wouldn't be open either.

And it's no secret that I think it has gone from 104 to 38 cardrooms. And I think that the Commission and everyone has to decide. Do we want cardrooms? Because I just spent 90 million in December because I believe in cardrooms. I believe in this business. I believe in this industry. I actually grew up in the state. Ultimately, I have to pay down my debt. I have to pay my bills. And I can't just charge more for people to come gamble. I have to find things like this that allows us to remain profitable. And I think I actually provide a better service because we could have a better-trained staff. We could have new equipment. You can have remote tie-ins by agents instead of having to drive to Pasco or drive to Lakewood and maybe up Everett, you can do it from a desktop. And encryption and all the technology that occurs in banking is happening instead of Washington on the cloud. Cannabis, other things are moving away in the state from being closed-loop systems to the cloud to secure technology.

I believe everything on that list could be addressed, and it could be solved through working sessions. We asked for a staff meeting, and we were not granted it. And, ultimately, that's fine. They don't have to. But we pay 100% of the WSGC's bills, 100%. And without us, I know who's going to pay it. The cardrooms are closing. Like sometimes it gets lost in the mix. We've got like 4000 jobs paid over \$75,000 a year. Most of these dealers, like Victor and the other people, they don't leave. They do their whole career here and because great-paying jobs are important jobs. And when you have an opportunity like this, it's a win that gets dismissed, it's super disappointing because we are trying to do business in the state. I grew up here. I have a house on Bainbridge Island. I'm spending money when everyone was shutting it down. You know? So do you want cardrooms or not? Kind of like what this sort of stuff comes down to. Make it hard. Make it impossible. Keep winning. 100 to 38? Victor says 35-27.

That's the trajectory of cardrooms in this state. That is what is really happening, and those jobs are going away. And those people are not employed, and they are not making \$75,000 a year because we train people who don't have otherwise education right off. They are not college graduates. They are not working for Microsoft and Boeing. But you know what? They are putting their kids through college. These are important jobs. So I think stuff like this is the toughest state I operated from a regulatory standpoint to do business. Super frustrating. But you know what? I'll keep coming. I'll keep putting money in. I believe in it. Ultimately, I think that we are going to get to a path that works for everybody. But when stuff like this happens and we don't even get a chance to talk about it, it's ridiculous. That's what I have to say.

Vice Chair Patterson stated that staff already has a tremendous amount of work to do, and the agency is currently understaffed. Where will the bandwidth come from. She also said that she wasn't sure if the staff's concerns were policy concerns or are they operational concerns.

Director Griffin replied that she would be happy to meet with them and have a stakeholder meeting. Including bringing regulations forward to us that are very clear from other states showing exactly how this has operated.

Commissioner Sizemore suggested that within the next 18 months staff visit a couple of these states to examine the operations and then come back to the commission to look through our lens to determine if this is something that could be contemplated.

Commissioner Lawson said that the concerns that were raised by staff with this petition hit to the central mission of this Commission, which is to keep gambling legal and honest. She said we want to keep up with technology, and we want to find ways to make it easier for our licensees to operate. She stated that there isn't enough bandwidth at the Commission right now.

Eric Persson, owner of Maverick formally withdrew his petition for Centralized Surveillance.

Commissioners took a 10-minute break

Commissioner Sizemore moved to withdraw the notice of rulemaking as verbally requested by the petitioner.

Commissioner Patterson seconded the motion.

The motion passed. 4:0

Tab 5

Legislative Update

Tommy Oakes, Interim Legislative Liaison presented the materials for this tab. ILL Oakes introduced HB 1132, the agency's request legislation for our limited law enforcement officers. He highlighted Law and Justice Days and spoke about the great turnout from our agents. We met with 24 legislators and made some important contacts.

Commissioner Sizemore complemented the staff for taking advantage of an opportunity to have those conversations.

ILL Oaks gave an update on the following gambling bills:

- HB 1630 and its companion bill SB 5587, authorizing sports wagering at cardrooms and racetracks.
- HB 1438 authorizing bona fide charitable or non-profit organizations to conduct Calcutta auctions on shooting sports contests.
- HB 1681 and SB 5634 these are the problem gambling bills.
- HB 1707 relating to Bingo conducted by bona fide charitable and non-profit organizations.
- HB 5704 concerning requirements for fundraising activities of bona fide charitable or non-profit organizations.

Chair Levy asked for any questions or comments from Commissioners.

Commissioner Sizemore said that there has been positive feedback on HB 1132 and coordinating with other agencies. He complimented the staff.

Vice Chair Patterson commented that the state has asked tribes to increase their contributions to problem gambling and she announced that there are 10 tribes that have agreed.

Chair Levy asked if there were any public comments or comments from the

Commissioners.

Eric Persson, Owner Maverick Gaming stated, *“We are in support of this legislation. I would just be remiss as a platform if I didn't say that addiction knows no boundaries. It doesn't care if you are a Washingtonian playing in a cardroom, buying a lottery ticket, or playing in a sovereign nation, like a Tribal facility. Addiction doesn't care about boundaries. And so, as the cardrooms are linking up for self-exclusion with someone who identifies as a problem gamer, I think the entire industry thinks that's a good thing, I doubt Victor wants a problem gamer that comes to my property, and I don't want his. I think that the Commission should consider this platform as a person, as an entity that thinks through tribal compacts, and has some influence, particularly around this legislation that all of the gaming enterprises that happen in the State of Washington or on the sovereign tribal nations that are enveloped by the State of Washington, we should all have a central database.*

Because I, for one, don't want a gaming customer who identifies as having a gaming addiction problem who goes to Emerald Queen, I don't want him in my building. But I don't know that he has an addiction problem. He self-excludes. There should be one platform where when someone self-excludes, they are out of gaming in the state. And I think that it's really hard-pressed for anyone to articulate a reason why I'm wrong. But yet this legislation doesn't contemplate that, but yet, you guys do approve compacts. I think it should be part of your consideration.

***Vice Chair Patterson moved that the Gambling Commission expresses support for HB 1681 and SB 5634, bills related to the topic of problem gambling.
Commissioner Sizemore seconded the motion.
The motion passed unanimously.***

The commission meeting adjourned at 2:06PM. The next Commission Meeting will be a two-day meeting on March 9th and 10th at the Washington State Liquor Control Board.



COMMISSION APPROVAL LIST
(New Licenses & Class III Gaming Employees)
March 2023

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Based upon the licensing investigations, staff recommends approving all new Licenses and Class III employees listed on pages 1 to 20.

ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

NEW APPLICATIONS**BINGO**BPOE 01753
00-18868 01-028221861 E HAWTHORNE
COLVILLE WA 99114H.E. GRITMAN SENIOR CITIZENS CENTER PS
00-08493 01-02175118 W MAIN ST
RITZVILLE WA 99169**RAFFLE**1414 CLUB
00-25066 02-213061414 12TH AVE
LONGVIEW WA 98632ARBORETUM FOUNDATION
00-21712 02-088942300 ARBORETUM DRIVE E
SEATTLE WA 98112BPOE 01753
00-18868 02-212881861 E HAWTHORNE
COLVILLE WA 99114CAMP KOREY
00-24463 02-2105224880 BROTHERHOOD RD
MOUNT VERNON WA 98274CLARK COUNTY FOOD BANK
00-24978 02-212716502 NE 47TH AVE
VANCOUVER WA 98661JEWISH DAY SCHOOL OF METROPOLITAN SEATTLE
00-08361 02-0905515749 NE 4TH STREET
SEATTLE WA 98008KENNEWICK KIWANIS FOUNDATION
00-14357 02-081721880 Fowler
RICHLAND WA 99352KIN ON HEALTH CARE CENTER
00-20790 02-086964416 S BRANDON STREET
SEATTLE WA 98118LITTLE BIT THERAPEUTIC RIDING CENTER
00-20452 02-0861918675 NE 106TH ST
REDMOND WA 98052THE SHOREWOOD BOOSTERS
00-09846 02-0860617300 FREMONT AVE N
SHORELINE WA 98133TRI CITIES PREP
00-17401 02-028769612 ST THOMAS DR
PASCO WA 99301**PUNCHBOARD/PULL-TAB COMMERCIAL STIMULANT**BABA LOUIE'S
00-25044 05-2180620833 SR 410 E
BONNEY LAKE WA 98391

ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

NEW APPLICATIONS

PUNCHBOARD/PULL-TAB COMMERCIAL STIMULANT

BIG SKY DRINKERY
00-25057 05-21809

5510 N MARKET ST
SPOKANE WA 99217

HARVEST MOON SALOON
00-25030 05-21802

213 RAILROAD ST
WILSON CREEK WA 98860

VESSEL TAPHOUSE
00-24959 05-21782

15615 HWY 99
LYNNWOOD WA 98087

WASHOUGAL TIMES LLC
00-25050 05-21807

1826 E ST
WASHOUGAL WA 98671

ELECTRONIC RAFFLE

RAVE FOUNDATION
00-24001 12-00004

800 OCCIDENTAL AVE S
SEATTLE WA 98134

MANUFACTURER

NEVADA GAMING CHIP
20-00250 20-00250

1916 E CHARLESTON BLVD
LAS VEGAS NV 89104

GAMBLING SERVICE SUPPLIER

PACIFIC POKER TOUR
00-25038 26-00378

6470 TRIGG WOODS LN
FERNDAL WA 98248

NON HOUSE-BANKED CARD GAME

BPOE 01753
00-18868 65-07532

1861 E HAWTHORNE
COLVILLE WA 99114

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

DISTRIBUTOR REPRESENTATIVE

MILNER, JERRY V
22-01323

AGS LLC
LAS VEGAS NV 89118

MANUFACTURER REPRESENTATIVE

ALETI, VAMSHI KRISHNA
23-03607

LIGHT & WONDER
LAS VEGAS NV 89119

CASE, JONATHAN
23-03612

CAMMEGH LIMITED
UNITED KINGDOM NA TN263DL

CHATMAN, TYRONE
23-01962

LIGHT & WONDER
LAS VEGAS NV 89119

CLARK, JAMES O JR
23-03595

PASSPORT TECHNOLOGY USA INC
GLENDALE CA 91203

DZVONICK, STEVEN K
23-03596

PASSPORT TECHNOLOGY USA INC
GLENDALE CA 91203

GREENE, ROBERT A JR
23-01798

AGS LLC
LAS VEGAS NV 89118

GURUPATHAMNADAR RAJARETNAM, ALLEN VICTOR
23-03616

LIGHT & WONDER
LAS VEGAS NV 89119

HANSEN, HEATHER M
23-03591

PASSPORT TECHNOLOGY USA INC
GLENDALE CA 91203

HOLLEY, KERRY L
23-03611

EVERI PAYMENTS INC
LAS VEGAS NV 89113-2175

JAMES, EBONY T
23-03610

EVERI PAYMENTS INC
LAS VEGAS NV 89113-2175

KEY, MICHELLE A
23-03602

PASSPORT TECHNOLOGY USA INC
GLENDALE CA 91203

LANSBERRY, JOHN M
23-03614

EVERI PAYMENTS INC
LAS VEGAS NV 89113-2175

LUNDBERG, JUSTIN J
23-03601

PASSPORT TECHNOLOGY USA INC
GLENDALE CA 91203

MALTSBERGER, PHILIP J
23-03590

PASSPORT TECHNOLOGY USA INC
GLENDALE CA 91203

PERSON'S NAME
 LICENSE NUMBER

EMPLOYER'S NAME
 PREMISES LOCATION

NEW APPLICATIONS

MANUFACTURER REPRESENTATIVE

MOKHTARI, MEHRAN
 23-01710

LIGHT & WONDER
 LAS VEGAS NV 89119

MONTANO, MATTHEW A
 23-03603

PASSPORT TECHNOLOGY USA INC
 GLENDALE CA 91203

OLLIE, CARLTON S
 23-03618

IGT
 LAS VEGAS NV 89113

PATEL, NISARG D
 23-03619

LIGHT & WONDER
 LAS VEGAS NV 89119

ROGENTINE, ELIZABETH N
 23-03604

PASSPORT TECHNOLOGY USA INC
 GLENDALE CA 91203

ROYCE, GALEN R JR
 23-03599

ARISTOCRAT TECHNOLOGIES INC
 LAS VEGAS NV 89135

SANDS, BENJAMIN N
 23-03606

EVERI PAYMENTS INC
 LAS VEGAS NV 89113-2175

SHANBHAG, SWATHI G
 23-03615

LIGHT & WONDER
 LAS VEGAS NV 89119

SHRUNGESHWARA MURTHY, KARTHIKEYA
 23-03620

LIGHT & WONDER
 LAS VEGAS NV 89119

SIMONS, ANDREW M
 23-00934

AGS LLC
 LAS VEGAS NV 89118

SREENIVASAN, DEEPAK K
 23-03617

LIGHT & WONDER
 LAS VEGAS NV 89119

SYED ALI, MOHAMMED TALIB
 23-03608

LIGHT & WONDER
 LAS VEGAS NV 89119

TOBIN, LINDA E
 23-03605

PASSPORT TECHNOLOGY USA INC
 GLENDALE CA 91203

TRUMP, MICHAEL L
 23-03600

PASSPORT TECHNOLOGY USA INC
 GLENDALE CA 91203

VEGA RODRIGUEZ, YAHAIRA Y
 23-03613

EVERI PAYMENTS INC
 LAS VEGAS NV 89113-2175

YIM, PATRICK K
 23-03609

ARISTOCRAT TECHNOLOGIES INC
 LAS VEGAS NV 89135

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

CALL CENTER REPRESENTATIVE

GUARDADO, CHELSEA N
32-00074

INCEPT CORPORATION
CANTON OH 44718

KENNEDY, LISA M
32-00075

INCEPT CORPORATION
CANTON OH 44718

MAJOR SPORTS WAGERING REPRESENTATIVE

ATSINOV, MARTIN Z
33-00518

DRAFTKINGS
BOSTON MA 02116

CHAUHAN, KRUNAL D
33-00502

IGT
LAS VEGAS NV 89113

CHBANIIDRISSI, ZAKARYA J
33-00503

DRAFTKINGS
BOSTON MA 02116

CHRISTENSEN, BENJAMIN P
33-00505

DRAFTKINGS
BOSTON MA 02116

COOK, CARSON G
33-00517

BETFRED SPORTS
LAS VEGAS NV 89103

GEORGIEV, MIROSLAV L
33-00516

DRAFTKINGS
BOSTON MA 02116

GRANT, ALEXANDER
33-00509

DRAFTKINGS
BOSTON MA 02116

KAMRUZZAMAN, SELIM
33-00512

IGT
LAS VEGAS NV 89113

KILLION, ANDREW
33-00478

DRAFTKINGS
BOSTON MA 02116

LAKE, SHANE D
33-00504

DRAFTKINGS
BOSTON MA 02116

LEVI, EZRA
33-00515

DRAFTKINGS
BOSTON MA 02116

MARCHENKO, ANDRII
33-00500

IGT
LAS VEGAS NV 89113

MELTON, BRADLEY A
33-00081

IGT
LAS VEGAS NV 89113

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

MAJOR SPORTS WAGERING REPRESENTATIVE

NIKOLOV, DELYAN N
33-00514

DRAFTKINGS
BOSTON MA 02116

PHOU, SIV L
33-00510

NYX DIGITAL GAMING (USA), LLC
BEVERLY HILLS CA 90210

SETZER, BRANDON M
33-00506

DRAFTKINGS
BOSTON MA 02116

WALTER, JASON R
33-00511

IGT
LAS VEGAS NV 89113

MID-LEVEL SPORTS WAGERING REPRESENTATIVE

DE MELO, JHONATTA L
34-00019

BULLETPROOF SOLUTIONS INC
FAIRFAX VA 22031

NON-PROFIT GAMBLING MANAGER

ANDERSON, JENNIFER A
61-04826

FOE 01744
STEVENSON WA 98648

SERVICE SUPPLIER REPRESENTATIVE

DIVI, LAKSHMI
63-01088

TECHNOLOGENT
IRVINE CA 92618

CARD ROOM EMPLOYEE

ARANDA, GEORGE M
68-37045

B

ROMAN CASINO
SEATTLE WA 98178

ARBOGAST, BRAYDEN R
68-37087

B

COYOTE BOB'S CASINO
KENNEWICK WA 99336

BAKEN, SARAH M
68-37065

B

CASINO CARIBBEAN
YAKIMA WA 98901

BAUGHER, ORIN J
68-08302

B

LILAC LANES & CASINO
SPOKANE WA 99208-7393

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

CARD ROOM EMPLOYEE

BAUTISTA, MICHELLE A 68-37084	B	IMPERIAL PALACE CASINO AUBURN WA 98002
BELL, AARON D 68-37070	B	GREAT AMERICAN CASINO/LAKEWOOD LAKEWOOD WA 98499
BONG, KHIN L 68-37051	B	MACAU CASINO TUKWILA WA 98188
CHAU, THANH L 68-37086	B	ROMAN CASINO SEATTLE WA 98178
CHAVEZ, WESTIN E 68-33940	B	COYOTE BOB'S CASINO KENNEWICK WA 99336
CHEN, SHUANG 68-37054	B	MACAU CASINO TUKWILA WA 98188
COOK, NARAYAN S 68-31608	B	HOLLYWOOD CARDROOM SHORELINE WA 98133
CROW, MICHAEL J 68-37060	B	ZEPPOZ PULLMAN WA 99163
DANH, CUONG 68-37074	B	GREAT AMERICAN CASINO/LAKEWOOD LAKEWOOD WA 98499
DEMARCO, CARLO S 68-36868	B	IMPERIAL PALACE CASINO AUBURN WA 98002
FRAZIER, CARRIE A 68-37068	B	CASINO CARIBBEAN YAKIMA WA 98901
GARCIA, JESSE V 68-37073	B	CARIBBEAN CARDROOM KIRKLAND WA 98034
GILLOTT, MEAGAN L 68-37083	B	IMPERIAL PALACE CASINO AUBURN WA 98002
HAASE, MACKLIN D 68-37057	B	BUZZ INN STEAKHOUSE/EAST WENAT EAST WENATCHEE WA 98802
HARTLEY, STEPHEN J 68-37062	B	JOKER'S CASINO SPORTS BAR & FIESTA RICHLAND WA 99352-4122
HERNANDEZ, ERICA Y 68-35250	B	ROMAN CASINO SEATTLE WA 98178

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

CARD ROOM EMPLOYEE

HESS, SPENCER S 68-37078	B	IMPERIAL PALACE CASINO AUBURN WA 98002
HICKEY, ROBERT F 68-37082	B	RED DRAGON CASINO MOUNTLAKE TERRACE WA 98044
JONES, JUSTIN L 68-37061	B	ZEPPOZ PULLMAN WA 99163
JONES, KRISTA L 68-37046	B	GREAT AMERICAN CASINO/EVERETT EVERETT WA 98204
KARLSSON, AARON S 68-37090	B	SLO PITCH PUB & EATERY BELLINGHAM WA 98225
KOLBITZ, GABE R 68-37072	B	ROXY'S BAR & GRILL SEATTLE WA 98126
LEI, QIONG YING 68-37053	B	MACAU CASINO TUKWILA WA 98188
LEUELU, SIAOSI 68-37059	B	MACAU CASINO LAKEWOOD WA 98499-4457
MARSHALL, DEJOHN M 68-37064	B	SLO PITCH PUB & EATERY BELLINGHAM WA 98225
MARTINEZ, CHERISH A 68-37071	B	CASINO CARIBBEAN YAKIMA WA 98901
MAUELLE, GABRIELLE D 68-37048	B	NEW PHOENIX LA CENTER WA 98629
PARKER-SANCHEZ, JADE C 68-37040	B	COYOTE BOB'S CASINO KENNEWICK WA 99336
PARRIS, DE ETRA M 68-37063	B	CASINO CARIBBEAN YAKIMA WA 98901
PECK, JAMES W 68-37041	B	CARIBBEAN CARDROOM KIRKLAND WA 98034
QIU, JIA X 68-37052	B	MACAU CASINO TUKWILA WA 98188
RINCON-JOHNSON, ROGELIO A JR 68-37044	B	ZEPPOZ PULLMAN WA 99163

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

CARD ROOM EMPLOYEE

ROBBINS, THEODORE E 68-37093	B	JOKER'S CASINO SPORTS BAR & FIESTA RICHLAND WA 99352-4122
ROBERTS, TINA L 68-37091	B	CLUB 48 YAKIMA WA 98908
SHAW, SHASHA M 68-37075	B	GREAT AMERICAN CASINO/TUKWILA TUKWILA WA 98168
SIMMONS, LANDON A 68-37092	B	BLACK PEARL RESTAURANT & CARD ROOM SPOKANE VALLEY WA 99206-4715
SON, TAM T 68-20754	B	GREAT AMERICAN CASINO/TUKWILA TUKWILA WA 98168
SROEUY, SANA 68-17533	B	CHIPS CASINO/LAKEWOOD LAKEWOOD WA 98499
STEAVENTSON, MARK J 68-10727	B	SILVER DOLLAR CASINO/MILL CREEK BOTHELL WA 98012
STEWART, JAMES J 68-22238	B	BLACK PEARL RESTAURANT & CARD ROOM SPOKANE VALLEY WA 99206-4715
SUMMERS, ARTHUR J 68-26859	B	NEW PHOENIX LA CENTER WA 98629
TAO, MEIRONG 68-37076	B	IMPERIAL PALACE CASINO AUBURN WA 98002
TRAN, KHOA Q 68-37077	B	IMPERIAL PALACE CASINO AUBURN WA 98002
WALTON, LARVELL B 68-37069	B	MACAU CASINO TUKWILA WA 98188
WARREN, MATTHEW C 68-32394	B	BLACK PEARL RESTAURANT & CARD ROOM SPOKANE VALLEY WA 99206-4715
WELKER, RAQUELITTE M 68-08124	B	CARIBBEAN CARDROOM KIRKLAND WA 98034
WENG, LILA 68-37055	B	MACAU CASINO TUKWILA WA 98188
WHEELER, ODESSA I 68-37089	B	MACAU CASINO LAKEWOOD WA 98499-4457

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

CARD ROOM EMPLOYEE

ZARAGOZA, ALIDA P
68-37050

B

CASINO CARIBBEAN
YAKIMA WA 98901

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

CHEHALIS CONFEDERATED TRIBES

BAKER, MICHELLE D
69-54162

BARNES, MICHAEL A
69-54195

DAVIES, AMANDA K
69-54169

GOOCH, DERIK A
69-54196

KING, RICHARD L
69-54111

LEWIS, KATHLEEN I
69-54237

SEERY, JOHN E III
69-24575

COLVILLE CONFEDERATED TRIBES

ABRAHAMSON, STEVIE R
69-54098

LOPEZ, BABBETTE C
69-54113

PALMANTEER, KELLI R
69-23238

SELLARS, STUART J
69-54099

SLOAN, DYLAN C
69-54199

STENSGAR, BISHOP K
69-54114

THORNTON, GRACE L
69-54116

WEGER, MALYSA A
69-54115

COWLITZ INDIAN TRIBE

ABERLE, REBECCA L
69-54176

AHRENS, COLIN M
69-54142

BOGUS, DANIELLE M
69-54175

CASE, WILLIAM M
69-45291

COCHRAN, DAMIAN T
69-54212

DURRANCE, RACHAEL E
69-54101

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

COWLITZ INDIAN TRIBE

FERGUSON, JAMES L
69-54211

FERNANDEZ, DAVID A
69-54065

FRUNZA, ALEX
69-54209

GALLEGOS-KALISTA, CHARLES Z
69-54231

GANIGAN, MICHELLE F
69-54167

GEAR, JANA M
69-54225

KASINGER, MATHEW R
69-54128

KASONY, JOYCE
69-54182

KELLY, JESSICA E
69-54177

LEANO, RONALLEN S
69-54208

LEYDEN, LEXIE R
69-54247

LUNA, ANDREA
69-54210

MARTIN, DONALD L
69-54168

MARTIN, RENEE K
69-37831

MCCLUNG, MATTHEW R
69-54112

MCCOY, TRACIE D
69-54144

MCCULLOUGH, RYAN C
69-39169

OLSON, CADEN M
69-54246

PAGE, TYLER M
69-45909

PHELPS, MICHAEL A
69-54086

PINGLE, JADYN A
69-54129

RAMOS, SYNCERE R
69-54103

SCHMIDT, TAMMY M
69-54130

SHEPHARD, JEANNA L
69-54183

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

COWLITZ INDIAN TRIBE

SHEPHARD, KELLY D
69-54184

SMITH, RACHEL L
69-54146

STURGELL, JOHN V JR
69-54100

VELEZ BONILLA, RICARDO A
69-54248

VILLA, NOEMI U
69-54102

WILKINS, MATEO A
69-54249

WYRD, BELIZAK J
69-54224

KALISPEL TRIBE

ALVARADO, ANTHONY A
69-47009

BAY, CRYSTAL L
69-54228

BENSON, KAYLENE N
69-54227

BENTLEY, PENNY L
69-54079

CULVER, XAVIER J
69-54131

JEROME, JOSHUA G
69-54125

LADD, AILENE L
69-54190

MCCULLA, DAVID L
69-54255

MCGINNIS, RICHARD A
69-54126

MEEDS, MICKAYLA D
69-54254

RAMIREZ, DESTINY G
69-54226

SOUZA, PAMELA J
69-54071

STENSGAR, BARBIE J
69-54073

STINSON, BRANDON S
69-54192

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

LUMMI NATION

CIOTTI, XAVIER S
69-46266

HAGANS, KOHDI R
69-54089

KLANDER, THERESA M
69-54203

LEWIS, JESSICA E
69-54285

PAILZOTE, ROBYN D
69-54088

VAZQUEZ VELEZ, TEDDY J
69-54204

VU, KHOA A
69-54286

MUCKLESHOOT INDIAN TRIBE

BIDDINGER, JULIE J
69-54241

GOURDINE, STACEY L
69-54251

HESKETH, AIMEE K
69-54092

MARCHAND, KADEN P
69-54242

MCDONALD, CONNOR J
69-54135

MOON, ROY J
69-54172

POMPEY, LAMAR
69-54134

RAMOS, RYAN C
69-18310

SENG, O'DAHM P
69-54093

SOHAPPY-LARA, MICHELLE
69-47012

SUNDSTROM, JADON C
69-54136

WILLIAMS, HEATHER C
69-54094

NISQUALLY INDIAN TRIBE

BRIGHT, ANNA E
69-54197

CHAN, ALCINA L
69-54250

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

NISQUALLY INDIAN TRIBE

CRAMER, TRACY L
69-54174

GANNIE, HAKEEM E
69-54151

GOLDTOOTH, PIRMIN D
69-36410

HANKS, ANTHONY S
69-54082

HARRISON, MARICEL M
69-54194

HATCHER, ALYSSA A
69-54171

HERMAN, JUSTIN M
69-54152

HULL, BOSTON D
69-54083

MCCLOUD, ROSALEE L
69-17915

MILLS, STEPHANIE S
69-54150

OVERBYE, BRYANA L
69-41724

PHAI, DAVID
69-54230

PULEO, SABRINA M
69-54081

SOLAITA, TAUFOAI F
69-51024

STANDIFER, CURTIS L
69-54198

WALL, CHAD E
69-54090

YAZZIE, DANIELLE R
69-32691

NOOKSACK INDIAN TRIBE

COOPER, PENNY F
69-54080

JOHNNY, FELISISIMO E
69-26227

PORT GAMBLE S'KLALLAM TRIBE

AYALA, ARIELLA A
69-54216

BRIONES, ALEXI R
69-50997

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

PORT GAMBLE S'KLALLAM TRIBE

DILLOW, DAWN M
69-54217

ERICKSEN, TREY D
69-50855

FUNDAK, JACOB R
69-54218

GELLERMAN, MATTHEW D
69-54219

PINZA, JAMES T
69-54220

STOUDERMIRE, AVERY M
69-54221

ZIESER, JACOB T
69-54222

PUYALLUP TRIBE OF INDIANS

ALAPATI, TRUMAN
69-54124

BAKER, JASENA A
69-54244

BLUEL, JACOB A
69-54117

BROWN, WILLIAM D
69-54154

CLAD, JOVONTA J
69-54166

COLYER, STEWART J
69-23446

HOBBICK, JAMES E JR
69-54165

HOLZBERGER, DANA M
69-54223

HOWELL, TAYLOR W
69-54137

JONES, DONAVAN L
69-54138

JONES, MARCEL D
69-54272

KIM, BENNETT N
69-54164

KNIGHT, RUSSELL I
69-54268

KUKAHIKO, TAURUS P
69-54234

LA FAUCI, JOSEPH
69-46356

MAHONEY, JOHN A
69-54245

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

PUYALLUP TRIBE OF INDIANS

MOWAT, EMANUEL S
69-54201

NATH, JASON A
69-54140

PENNY, MOLLY B
69-54141

PLASCENCIA GOMEZ, SHAIRA C
69-54118

SADLER, ROBERT W
69-54139

SEUI, TUPOU G
69-54266

VASQUEZ, JAROD N
69-54123

WILBURN, JULIAN D
69-54267

WONG, KEVIN D
69-54243

QUINAULT NATION

GAINES, SUZANNE M
69-54233

GARCIA, RONALYN C
69-51669

SKOKOMISH TRIBE

CARDOZA, MARISHA D
69-30288

RUNNELS, RANDEE S
69-54239

SNOQUALMIE TRIBE

COPELAN, JULIE C
69-30686

LEZNEK, TYLER M
69-54181

LOMAX, ISIAH R
69-38036

LUPAI, SARAH J
69-54149

MARTIN, GLORIA J
69-54179

NUTH, PRENG
69-54148

PATTERSON, RIC C
69-54143

SCHUNEMAN, GEORGE E
69-29818

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

SNOQUALMIE TRIBE

THOMAS, APRIL M
69-54147

WALL, PATRICIA G
69-54180

WHITE, KARI A
69-29000

SPOKANE TRIBE

BABBITT, DUANE J
69-54084

BARTELL, COLE A
69-54032

BOND, MICHAEL D JR
69-54153

GONZALEZ, LUCIO R
69-43866

RUEPPEL, STEPHEN P
69-49619

WILSON, STEPHANIE Y
69-54031

SQUAXIN ISLAND TRIBE

ARCINIEGA-LEATIOTA, SELENA F
69-54163

BARNETT, JEREMY J
69-54187

BOLLWEG, SHAUN M
69-54193

CAPRICE, CARTY M
69-54229

CIAMPI, MARCELLE G
69-54067

FLORES, PATTY L
69-54068

GREEN, BRIAN F
69-54188

HARDIN, FRANK A
69-54232

LANDIS, BENJAMIN J
69-54170

NEWKIRK, CHRISTEN G
69-54070

PHELPS, GUIJUAN Y
69-54155

ROSANDER, LAUREEN
69-54077

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

SQUAXIN ISLAND TRIBE

THOMPSON, DAVID C
69-54069

WALDEN, THEODORE G
69-54213

SUQUAMISH TRIBE

ESTEVEZ, PAUL JUSTIN A
69-51469

GALVAN, CHASE J
69-54133

GRACE, EDISON V JR
69-54158

HAWKINS, LAYTON A
69-54132

KAHALA, KAIMANA K
69-54206

SCHEAR, SAMUEL J
69-54264

SCHULTZ, SAVANNAH T
69-54157

TRAYFALGAR, JAMES R
69-54159

SWINOMISH INDIAN TRIBAL COMMUNITY

CONCA, MICHAEL B
69-54160

HALL, COLLEEN Y
69-54127

MAXFIELD, JEREMY
69-54066

PARISH, LUKE J
69-54236

THE TULALIP TRIBES

ALVAREZ, RISHELLE L
69-54173

BLUME, ROSE MARIE S
69-47203

COLLINS, ANN M
69-54185

CROTHERS-PETERSON, JAYDON D
69-54145

GRANT, DEANDRA V
69-54202

HOOVER, JOSEPH Z
69-54156

LEAF, GEORGE J
69-54252

PHAM, TRUC H
69-50844

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

THE TULALIP TRIBES

SCOTT, BRIANNA R
69-54215

SO, CHRISTOPHER J
69-54205

SURDAM, ELIZABETH L
69-54214

TUCKER, AUSTIN S
69-54186

VANNOY, DENNIS J
69-20309

WAEI, EDNA T
69-54253

YOUNGMAN, HARRISON H
69-54189

UPPER SKAGIT INDIAN TRIBE

GAONA, STEPHANIE R
69-24781

YAKAMA NATION

CAMPOS DONES, SOPHIA L
69-54271

HAWKINS, KYLE D
69-15673

HILL, RYAN T
69-54122

PEREZ, RUBEN C
69-54121

RAMIREZ, MAYRA N
69-54120

TAHMALWASH, LOUIS T
69-54270

WHITE, NADELENE B
69-54269



Washington State Gambling Commission

Pre-Licensing Report

Electronic Raffles

Part I

Licensing/Organization Information

Type of Approval Electronic Raffle	Premises/Trade Name/Address RAVE Foundation 800 Occidental Avenue S Seattle, WA 98104
Date of Application October 14, 2022	

APPLICANT INFORMATION

Name RAVE Foundation	License Application # 00-24001	Business Phone # (206) 539-7447
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Mailing Address 406 Occidental Avenue S Seattle, WA 98104
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ACTIVE LICENSES ISSUED BY GAMBLING COMMISSION

Description/Class Electronic Raffle	Exp. Date 12/31/2023	License Number(s) 12-00004
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COMMISSION STAFF

Michelle Davis, Licensing Specialist Jamie Doughty, Electronic Gambling Lab	Chris Dauwalder, Licensing Special Agent Tony Hughes, Regulation Special Agent Supervisor Sonja Dolson, Regulation Special Agent Supervisor Dan Frey, Regulation Special Agent Supervisor
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Background/Structure

General Information:

On or about October 14, 2022, the Washington State Gambling Commission (the Commission) received an application from RAVE Foundation for an electronic raffle license.

The RAVE Foundation, the official charitable arm of the Seattle Sounders, is a 501c-3 public charity which was founded in 2013 to serve the greater Puget Sound community. RAVE's mission is to build small fields for free play and invest in programs that use soccer as a vehicle to inspire youth and strengthen communities. By building small fields, the RAVE Foundation provides a place for kids to play freely, be physically active and safe, and to be inclusive stakeholders in their communities.

RAVE Foundation is planning on conducting electronic raffles at Seattle Sounders home games at Lumen Field.

Foundation Structure Information:

Title	Name
Executive Director	Ashley Fosberg
Chairman of the Board	Frederick Mendoza
Secretary	Maya Mendoza-Exstrom
Treasurer	David Chen
Raffle Manager/Programs Manager	Nathalie Ojeda

Part II Licensing Investigations Summary

Staff from the Commission's Licensing Unit ensured the applicant met the definition of "Bona fide charitable or nonprofit organization" in relation to gambling activity and conducted criminal records investigations in accordance with RCW 9.46 and WAC 230. The investigation found:

- No unreported people or businesses involved (i.e., substantial interest holders).
- No undisclosed involvement in other activities/businesses.
- All substantial interest holders qualify.


Part III Pre-Operational Review and Evaluation Summary

Special Agents from the Commission's Regulation Unit and the Commission's Electronic Gambling Lab completed an investigation to determine that the gambling operation complies with the requirements of RCW 9.46 and WAC 230. The review found that:

- The foundational structure supports the proposed accounting and administrative controls.
- Controls are in place to closely monitor the gambling activity and accurately record financial information.
- The physical location (arena) can support the proposed operational plan, activity and gambling equipment including onsite servers and Wi-Fi.
- The RAVE Foundation is in compliance with all rules and laws associated with the activity.

Part IV Staff Recommendations

Based upon the licensing and regulation investigations, staff recommends licensing RAVE Foundation with an electronic raffle license.

Prepared By Jennifer LaMont, Agent in Charge Licensing Unit	Signature 	Date February 26, 2023
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**Washington State Gambling Commission
Pre-Licensing Report
Manufacturing License**

**Part I
Licensing/Organization Information**

Type of Approval Manufacturer License	Premises/Trade Name/Address Nevada Gaming Chip 1916 E Charleston Blvd Las Vegas, NV 89104
Date of Application September 13, 2022	

APPLICANT INFORMATION

Name Nevada Gaming Chip	License Application # 20-00250	Business Phone # (702) 305-4002
Address Nevada Gaming Chip 1916 E Charleston Blvd Las Vegas, NV 89104		

ACTIVE LICENSES ISSUED BY GAMBLING COMMISSION

Description/Class Manufacturers License	Exp. Date 12/31/2023	License Number(s) 20-00250
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COMMISSION STAFF

Licensing Specialist Michelle Davis	Special Agents Julie Sullivan Nathan Kresse
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Background/Structure

General Information:

Nevada Gaming Chip applied for a manufacturer license to manufacturer gaming chips used in authorized gambling. They are a privately held Corporation located in Las Vegas, Nevada.

Organizational/Ownership Structure:

Nevada Gaming Chip:

Title	Name	Ownership
CEO/Owner	Allan Silberstang (also known as Avery Cardoza)	100%
	Total	100%

Other Jurisdictions Licensed:

Nevada Gaming Chip is also licensed in Colorado.

Part II
Licensing Investigations Summary

Special Agents from the Commission's Licensing Unit 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 and reviewing financial and business records as well as reviewing the manufacturing process. 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:

Nevada Gaming Chip is an existing business and their source of funds for their application came from cash on hand from operations.

Part III
Staff Recommendations

Based upon the criminal history and financial background investigations, staff recommends licensing Nevada Gaming Chip with a manufacturer license.

Prepared By
Jennifer LaMont, Agent in Charge
Licensing Unit

Signature


Date
February 26, 2023



HOUSE-BANKED PUBLIC CARD ROOM REPORT

Licensed and Operating			38		
	City	Commission Approval Date	License Expiration Date	Org #	License #
ALL STAR CASINO	SILVERDALE	Jan 14, 1999	Jun 30, 2023	00-18357	67-00058
BLACK PEARL RESTAURANT & CARD ROOM	SPOKANE VALLEY	Jan 10, 2013	Sep 30, 2023	00-22440	67-00321
BUZZ INN STEAKHOUSE/EAST WENATCHEE	EAST WENATCHEE	Oct 10, 2002	Dec 31, 2023	00-11170	67-00183
CARIBBEAN CARDROOM	KIRKLAND	Nov 14, 2019	Sep 30, 2023	00-24515	67-00343
CASINO CARIBBEAN	KIRKLAND	Nov 14, 2019	Sep 30, 2023	00-24512	67-00341
CASINO CARIBBEAN	YAKIMA	Nov 14, 2019	Sep 30, 2023	00-24513	67-00342
CHIPS CASINO/LAKEWOOD	LAKEWOOD	Apr 8, 1999	Dec 31, 2023	00-17414	67-00020
CLEARWATER SALOON & CASINO	EAST WENATCHEE	Feb 14, 2019	Dec 31, 2023	00-24296	67-00339
COYOTE BOB'S CASINO	KENNEWICK	Jul 10, 2009	Mar 31, 2023	00-21848	67-00282
CRAZY MOOSE CASINO II/MOUNTLAKE TERRACE	MOUNTLAKE TERRACE	Jul 10, 2009	Mar 31, 2023	00-21849	67-00283
CRAZY MOOSE CASINO/PASCO	PASCO	Jul 10, 2009	Mar 31, 2023	00-21847	67-00281
FORTUNE CASINO - LACEY	LACEY	Jul 14, 2022	Mar 31, 2023	00-24868	67-00347
FORTUNE CASINO - RENTON	RENTON	Jan 8, 2015	Sep 30, 2023	00-23339	67-00327
FORTUNE CASINO - TUKWILA	TUKWILA	Oct 8, 2015	Jun 30, 2023	00-23465	67-00329
GOLDIES SHORELINE CASINO	SHORELINE	May 13, 1999	Dec 31, 2023	00-17610	67-00016
GREAT AMERICAN CASINO/EVERETT	EVERETT	Nov 12, 1998	Dec 31, 2023	00-19513	67-00194
GREAT AMERICAN CASINO/LAKEWOOD	LAKEWOOD	Aug 14, 2003	Jun 30, 2023	00-19258	67-00184
GREAT AMERICAN CASINO/TUKWILA	TUKWILA	Jan 15, 1998	Sep 30, 2023	00-12554	67-00012
IMPERIAL PALACE CASINO	AUBURN	Jan 9, 2003	Dec 31, 2023	00-19477	67-00192
JOKER'S CASINO SPORTS BAR & FIESTA CD RM	RICHLAND	Nov 12, 1998	Dec 31, 2023	00-15224	67-00006
LANCER LANES/REST AND CASINO	CLARKSTON	Nov 13, 2008	Sep 30, 2023	00-21681	67-00276
LILAC LANES & CASINO	SPOKANE	Jul 12, 2007	Jun 30, 2023	00-21305	67-00267

Licensed and Operating			38		
	City	Commission Approval Date	License Expiration Date	Org #	License #
MACAU CASINO	TUKWILA	Nov 14, 2019	Sep 30, 2023	00-24514	67-00344
MACAU CASINO	LAKEWOOD	Nov 14, 2019	Sep 30, 2023	00-24516	67-00345
NEW PHOENIX	LA CENTER	Oct 6, 2022	Jun 30, 2023	00-24981	67-00349
NOB HILL CASINO	YAKIMA	Sep 12, 2001	Dec 31, 2023	00-13069	67-00173
PAPAS CASINO RESTAURANT & LOUNGE	MOSES LAKE	Aug 13, 1998	Jun 30, 2023	00-02788	67-00004
RC'S AT VALLEY LANES	SUNNYSIDE	Nov 16, 2017	Mar 31, 2023	00-16220	67-00336
RIVERSIDE CASINO	TUKWILA	Aug 14, 2003	Jun 30, 2023	00-19369	67-00187
ROMAN CASINO	SEATTLE	Feb 10, 2000	Mar 31, 2023	00-17613	67-00057
ROXY'S BAR & GRILL	SEATTLE	Nov 18, 2004	Jun 30, 2023	00-20113	67-00231
SILVER DOLLAR CASINO/MILL CREEK	BOTHELL	Sep 9, 2010	Jun 30, 2023	00-22131	67-00302
SILVER DOLLAR CASINO/RENTON	RENTON	Sep 9, 2010	Jun 30, 2023	00-22134	67-00305
SILVER DOLLAR CASINO/SEATAC	SEATAC	Sep 9, 2010	Jun 30, 2023	00-22128	67-00299
SLO PITCH PUB & EATERY	BELLINGHAM	Aug 12, 1999	Jun 30, 2023	00-16759	67-00038
THE PALACE	LA CENTER	Apr 9, 1998	Jun 30, 2023	00-16903	67-00010
WILD GOOSE CASINO	ELLENSBURG	Apr 8, 2004	Dec 31, 2023	00-20009	67-00212
ZEPPOZ	PULLMAN	Nov 13, 2008	Mar 31, 2023	00-18777	67-00209

Licensed but Not Currently Operating			4		
	City	Commission Approval Date	License Expiration Date	Org #	License #
EMERALD DOWNS	AUBURN	May 11, 2017	Mar 31, 2023	00-23814	67-00335
LUCKY DRAGONZ CASINO	SEATTLE	Mar 10, 2022	Jun 30, 2023	00-23001	67-00323
ROYAL CASINO	EVERETT	Sep 9, 2010	Jun 30, 2023	00-22130	67-00301
WIZARDS CASINO	BURIEN	Feb 11, 2010	Dec 31, 2023	00-21998	67-00287

Applications Pending**2**

	City	Commission Approval Date	License Expiration Date	Org #	License #
IMPERIAL PALACE CASINO	TUKWILA			00-24893	67-00348
RED DRAGON CASINO	MOUNTLAKE TERRACE			00-22459	67-00315



**STATE OF WASHINGTON
GAMBLING COMMISSION**

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

February 27, 2023

TO:	COMMISSIONERS Alicia Levy, Chair Julia Patterson, Vice-Chair Bud Sizemore Sarah Lawson	EX OFFICIO MEMBERS Senator Steve Conway Senator Jeff Holy Representative Shelley Kloba Representative Skyler Rude
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SUBJECT: Non-Profit Individual Working for Multiple Organizations Approval List

<u>Individual</u>	<u>Organizations</u>	<u>License No.</u>
Robert Cromwell	Seattle Sportsman Conservation Foundation Safari Club Intl/Puget Sound Chap	00-23618 00-18093
Kevin Woods	Seattle Sportsman Conservation Foundation Safari Club Intl/Puget Sound Chap	00-23618 00-18093
Joy Walker	Senior Center Assn/Kelso Cowlitz USBC Association	00-22123 00-21983



STATE OF WASHINGTON
GAMBLING COMMISSION

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

DATE: March 9, 2023

TO: **COMMISSIONERS:**
Alicia Levy, Chair
Julia Patterson, Vice-Chair
Bud Sizemore, Commissioner
Sarah Lawson, Commissioner

EX OFFICIOS:
Senator Steve Conway
Senator Jeff Holy
Representative Shelley Kloba
Representative Skyler Rude

FROM: Doug Van de Brake, Assistant Attorney General

SUBJECT: Placeholder for Tab 2 Chanmalaty Touch, License No. 68-04600



**STATE OF WASHINGTON
GAMBLING COMMISSION**

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

DATE: March 9, 2023

TO: COMMISSIONERS
Bud Sizemore, Chair
Julia Patterson, Vice-Chair
Alicia Levy
Sarah Lawson

EX OFFICIO MEMBERS
Senator Steve Conway
Senator Jeff Holy
Representative Shelley Kloba
Representative Skyler Rude

FROM: Sandra Shah, Special Agent, Regulatory Unit

SUBJECT: **Perry Technical Foundation's Request to offer a raffle prize that exceeds \$40,000 and exceed \$300,000 limit in Raffle Prizes Paid during the License Year.**

Background

Our rules require licensees to get your approval prior to offering a raffle prize that exceeds \$40,000 and/or offering raffle prizes that exceed \$300,000 in a licensee year, WAC 230-11-067.

To seek that approval, the licensee must submit a raffle plan that includes:

- (a) The organization's goals for conducting the raffle; and
- (b) A brief overview of the licensee's mission and vision including the type of programs supported by the licensee and clients served; and
- (c) Specific details of the raffle rules including:
 - (i) Date of the drawing; and
 - (ii) Cost of raffle tickets; and
 - (iii) Prizes available; and
 - (iv) Security of prizes; and
 - (v) Plans for selling raffle tickets; and
 - (vi) Description of how the licensee protects the integrity of the raffle; and
- (d) An explanation of how the proceeds from the raffle will be used; and
- (e) A plan to protect the licensee in the event of low ticket sales and other risks; and
- (f) An explanation of how the licensee will purchase the prize(s) for the raffle; and
- (g) A projected budget including:
 - (i) Estimated gross gambling receipts, expenses, and net income for the raffle; and
 - (ii) Minimum number of projected ticket sales to break even; and
 - (iii) Corresponding sales and prize levels with projected revenues and expenses for each level; and
 - (iv) Minimum and maximum prizes available; and

(h) Any other information that we request or any information the licensee wishes to submit.

Request for Your Approval

Perry Technical Foundation requests your approval to offer a raffle prize in excess of \$40,000 and offer raffle prizes over \$300,000. They are estimating the house to cost \$380,000. However, they estimate the value of the home will be \$450,000. The final value being determined by an appraisal.

Staff recommends you approve Perry Technical Foundation to offer a raffle prize in excess of \$40,000 and to exceed the annual raffle prize limit of \$300,000 for their license year ending June 30, 2024.

Attachments

Perry Technical Foundation
Raffle Plan to exceed a \$40,000 prize and \$300,000/year

Organization's goals for conducting the raffle:

The role of the Perry Technical Foundation is to assist in reducing the cost of an education at Perry Technical Institute by providing scholarship opportunities for students. This raffle would be dedicated to raise funds to enhance student learning by lessening the burden of student loans and debt. Perry Technical Institute is a financially stable institution, operating since 1939.

Brief overview of the licensee's mission and vision including the type of programs supported by the licensee and clients served:

The Perry Technical Foundation is committed to helping students obtain a quality education that is financially attainable. This includes fundraising to support student achievement, developing partnerships to benefit students, and advocating on behalf of students and the institution.

Perry Technical Institute currently offers fourteen programs of certification:

- Agricultural Equipment Technician
- Automotive Technician
- *Business Technology & Accounting
- Construction
- Electrical Technology
- Heating, Ventilation, Air Conditioning & Refrigeration
- *Information Technology & Communication Systems
- Instrumentation & Industrial Automation
- Medical Assisting
- Medical Office Administration & Coding
- Plumbing Technician
- Precision Machining & Manufacturing
- Professional Truck Driving
- Welding

*Associate of Applied Science Degree

Date of the drawing: Drawing to be held Saturday, January 27th 2024 at 12:00pm at Perry Technical Institute: 2011 W. Washington Avenue, Yakima WA 98903

Cost of raffle tickets: \$100 (Only 7,000 tickets available)

Grand prize: Home located at 7202 Vista Ridge Avenue, Yakima, WA (Built by Perry Technical Institute at an estimated cost of \$380,000). If under 5,000 tickets are sold an alternative cash prize will be paid as the grand prize. See below for details.

Security of prizes:

The house will be secured.

Plans for selling raffle tickets:

Sales will be conducted on the campus of Perry Technical Institute, local businesses, as well as at events within Washington State, April 1, 2023, and concluding on December 30, 2023.

Perry Tech logo tumblers will be given as a free incentive to the first 100 tickets sold either on campus or at a kick-off event. This expense will be covered by raffle sponsorship and will not have an impact on the marketing budget.

Ticket sales will be managed by Tressa Shockley (Foundation Director) and assisted by Foundation personnel. All sales will be conducted face-to-face. Special events with locally owned businesses, grocery stores, and community gatherings will be scheduled. Examples of locations: Helms Hardware, Wrays IGA stores, Blueline Equipment, Helliesen Lumber, McKinney Glass, other businesses.) Tressa Shockley will provide management and oversight of volunteer training and sales. Foundation personnel to provide support at events and servicing of ticket vendors for the purpose of revenue and ticket collection, restocking of tickets, and distribution of marketing materials.

Description of how the licensee protects the integrity of the raffle: Tickets will be numbered 1 - 7,000 and issued in bundles of 20 tickets to the vendors assisting with sales. All ticket tracking information will be recorded on the distribution log, provided by the Washington State Gambling Commission, and kept on file for three years.

Tickets not out for sale/circulation will be kept in a locked safe and will only be removed as needed. Tressa Shockley and Foundation personnel are the only individuals who will have access to the safe.

All monies collected with a copy of a sales report will be submitted for routine deposit. Ticket data will be entered into a master database, maintained by the Foundation staff. All sales will be audited and tallied for deposit into a separate bank account that has been established solely for ticket sales. If a discrepancy is found, it should be easy to identify and track who it was. If there is a ticket in question, that stub will be pulled from the group sales until the issue is resolved or the ticket be deemed as void. Stubs will then be stored in the safe.

An explanation of how the proceeds from the raffle will be used: The cash proceeds will be used as follows:

- The cost to build the home will be paid to the foundation.
- \$25,000 from each raffle will be deposited into an endowment fund to build a long-term sustainable fund.
- The remaining proceeds will fund student scholarships during the 2024-2025 school year and will be divided equally for each award period (spring/fall).

A plan to protect the licensee in the event of low-ticket sales and other risks: An alternative prize will be offered if ticket sales do not exceed 5,000 tickets.

An explanation of how the licensee will purchase the prize(s) for the raffle: Perry Technical Foundation will incur the cost to build the home and will be reimbursed at the conclusion of the raffle. Students enrolled in the Construction, HVAC/R, Electrical Technology, and Plumbing programs at Perry Technical Institute are working together with area contractors to build a prize home valued at approximately \$450,000. The home will be in a desirable neighborhood of Yakima, WA, located at 7202 Vista Ridge Avenue, Yakima WA.

The practice and techniques learned throughout building this home is of the utmost importance to the preparedness of our students in their respected programs. Perry Technical has a strong reputation for superior skills and training of our graduates.

Projected budget fees based on ticket sales:

A projected budget:	7,000	5,001	5,000	370
Marketing (including cost of tickets)	24,000	24,000	24,000	24,000
License fee	2,000	2,000	2,000	1,000
Card processing and banking fees	7,000	6,001	6,000	2,000
Miscellaneous	5,500	5,500	5,000	5,000
Total estimated expenses	38,500	37,501	37,000	32,000

Minimum number of projected ticket sales to break even: 370

Corresponding sales and prize levels with projected revenues and expenses for each level:

Ticket sales	7,000	5,001	5,000	370
Gross Receipts	\$700,000	\$500,100	\$500,000	\$37,000
Prize	\$380,000	\$380,000	\$231,500	\$5,000
Expenses	\$38,500	\$37,501	\$37,000	\$32,000
Net Income	\$281,500	\$82,599	\$231,500	\$0

Grand minimum prize available: Sell 1 – 5,000 tickets for the winner to receive a cash prize equal to 50% of the ticket sales after expenses, with a minimum prize of \$5,000.

Grand maximum prize available: Sell 5,001 - 7,000 raffle tickets for the winning ticket to receive the house valued at approximately \$450,000.

Any other information that we request or any information the licensee wishes to submit:

RULES (to be printed on tickets)

- 7,000 maximum tickets to be sold at \$100 each.
- If fewer than 5,000 tickets are sold, a cash payment of 50% of total ticket sales (less expenses) will be awarded to the winner in lieu of the house drawing.
- Drawing to be held Saturday, January 27, 2024 at 12:00pm at Perry Technical Institute, 2011 W. Washington Ave., Yakima, WA 98903.
- Federal tax withholdings of 24% are the sole responsibility of prize winner and due prior to prize being transferred. Winner is responsible for payment of excise tax, closing fees, and filing fees associated with transfer of title.
- Winner must claim prizes by April 30, 2024 or demonstrate financing is in progress.
- Per IRS regulations, as a game of chance, raffle tickets are not tax deductible.
- Ticket stub must match the identification of the ticket holder.
- Tickets are non-refundable.
- Participants must be 18 years or older.
- Need not be present to win.
- Purchaser(s) must be individually listed on each ticket, no company/business names allowed.
- Employees of the Perry Technical Foundation and their immediate households are not eligible to enter.
- Any/all purchasers or holders of this Win A Home raffle ticket agrees to hold harmless Perry Technical Foundation, Perry Technical Institute, along with any/all affiliates, faculty, staff, and students acting in good faith as part of this voluntary gaming purchase.
- All Win A Home raffle ticket holders agree to share their likeness for any/all Perry Technical Foundation/Perry Technical Institute official promotional purposes including post-raffle winner announcements.
- Names and contact information of ticket purchasers will be added to an internal database to be used exclusively for the purpose of marketing for the Win A Home raffle.

Marketing Budget

MEDIUM	DETAILS	EST. EXPENSE
Radio	Kickoff event- live remote/DJ host On-air mentions/commercials Holiday promotion	\$11,000
TV	Commercials	\$3,000
Social Media	Boost Posts	\$500
Print Materials	Banners Posters (11x17) Flyers Raffle Tickets	\$5,000
Print Advertising	Yakima Magazine / Newspaper/Business Times	\$2,000
Web	Link on perrytech.edu to detail the raffle and rules	\$500
Virtual Tour	Online home tour	\$500
Signage	Build site	\$500
Events	Registration fees, travel	\$500
Misc.	Mounting materials, balloons, props	\$500
	Total estimated expenses	\$24,000



**STATE OF WASHINGTON
GAMBLING COMMISSION**

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

DATE: March 9, 2023

TO: **COMMISSIONERS:**
Alicia Levy, Chair
Julia Patterson, Vice-Chair
Bud Sizemore, Commissioner
Sarah Lawson, Commissioner

EX OFFICIOS:
Senator Steve Conway
Senator Jeff Holy
Representative Shelley Kloba
Representative Skyler Rude

FROM: Kriscinda Hansen, Chief Financial Officer

SUBJECT: Tab 4 Budget Update materials will be presented at the meeting



Staff Proposed Rule-Making

WAC 230-05-160 - Charitable or nonprofit organization fees.

WAC 230-05-165 - Commercial stimulant organization fees.

WAC 230-05-170 - Fees for other businesses.

March 2023 – Discussion and Possible Filing

January 2023 – Initiate Rule-Making

Tab 5: March 2023 Commission Meeting Agenda.

Statutory Authority 9.46.070

Who Proposed the Rule Change?

Washington State Gambling Commission Staff

Background

BOLD = Changes made after January 2023 Commission Meeting

At the January 2023 meeting, Commissioners accepted a staff recommendation to initiate rule-making to address license fees. Based on a thorough analysis of the agency’s anticipated costs related to its licensing, regulatory, and enforcement roles, staff proposes the following increases for all licenses, except electronic raffles:

- 10% increase in the base fee;
- 6% increase in gross gambling receipt rate;
- 60% increase in the maximum fee; and,
- 10% increase in fees for changes and duplicate licenses.

Electronic raffles are a new type of raffle, which were first granted licenses in September 2022. After a re-evaluation of the actual costs associated with the electronic raffle regulatory program, staff proposes to change the fees as set out below with billing for actual expenses related to verifying and investigating electronic raffle operating and system requirements (i.e., pre-operational expenses). Billing for actual costs incurred in verifying equipment compliance reduces the base rate so it is not a barrier to entry but allows us to recoup the actual costs for the inspections based on the licensee’s set-up.

	Current	Proposed
Base Fee	\$5,000	\$5,500
Gross Gambling Receipts Rate	0.043%	3.583%
Maximum Annual License Fee	\$32,000	\$51,200
		The commission will bill for actual expenses related to verifying/investigating electronic raffle operating and system requirements.

The proposed changes regarding license fees for charitable or nonprofit organizations, commercial stimulant organizations, and other businesses are reflected in the attached amended WAC 230-05-160, 230-05-165, and 230-05-170.

RCW 9.46.070(5) requires the Commission to set fees to generate funds necessary to cover all costs of regulation, licensing, and enforcement.

In the last 20 years, the Commission has increased fees approximately every five years (1998, 1999, 2002, 2003, 2007, and 2014). The last fee increase was an across-the-board increase of 6 percent effective November 2014.

At its inception, a license fee structure was created primarily based on a “class” system with 25 fees. By 2017, the fee structure had grown to approximately 194 different fees for commercial organizations, nonprofit organizations, and individuals. In September 2017, staff introduced to the Commissioners several new and amended rules designed to simplify the fee structure and eliminate the “class” system and advance payment of annual fees. Commissioners voted to file the draft rules for further discussion.

In January 2018, Commissioners approved the new and amended rules, creating a new license fee structure. The simplified license fee structure established base fees by license type, set fee rates as a percentage of gross gambling receipts, and established maximum annual fees. This new license fee structure became effective in May 2018.

Although the gambling industry has largely recovered from a significant contraction due to the COVID-19 pandemic, the number of licensees has decreased. While there were 2,920 organizational licensees as of September 30, 2019, the number has declined to 2,545 as of September 30, 2022. This decline in licensees has caused revenues to flatten. At the same time, operating costs continue to increase in this inflationary period to include increases in salaries and benefits, supplies and equipment, and government services from agencies such as the Attorney General’s Office and Department of Enterprise Services.

Attachments:

- 1. Proposed Amended WAC 230-05-160 - Charitable or nonprofit organization fees.**
- 2. Proposed Amended WAC 230-05-165 - Commercial stimulant organization fees.**
- 3. Proposed Amended WAC 230-05-170 - Fees for other businesses.**

Stakeholder Feedback

Commission staff held meetings with Tribal partners and stakeholders February 13, 2023 and February 27, 2023. There were a number of questions related to fees and their correlation to level of effort.

Specific issues raised included:

- Card room licensees raised concern about balancing the Commission’s need to raise its license fees against the card rooms’ petitions to reduce their own costs through adoption of proposed system efficiencies, which they said have contributed to the reduction in licensees.**
- Electronic raffle licensees asked the Commission to consider a slower ramp up of costs until the overall expansion of the electronic raffle program across all sports clubs is complete.**
- A pull-tab distributor asked the Commission to review the costs of licensing and regulating pull-tab distributors.**

The Commission also received a letter and several emails (attached) from:

- Wendy Winsor, CFO, WOW Distributing, related to the proposed increased license fee for pull tab distributors (letter)**
- Brian Keller, Let It Ride Casinos, Inc., related to the proposed increased fee for fundraising events (email)**

- **Carolyn Kenyon, Freedom Flies LLC, related to the proposed fee increases and its impact on businesses (email)**
- **Richard E. Fritton II, Home Plate Clubs, Inc. (email)**
- **John Schoeffler, Swinging Doors (email)**
- **Bob Materne, Jr., Swinging Doors (email)**

Finally, Commission staff met with representatives operating electronic raffles on February to hear their concerns about the proposed increases that were expected to be a barrier to expanding the electronic raffle program to additional teams in the state.

Attachments:

1. **February 14, 2023 letter from Wendy Winsor, WOW Distributing**
2. **February 14, 2023 email from Brian Keller, Let It Ride Casinos, Inc.**
3. **February 28, 2023 email from Carolyn Kenyon, Freedom Flies LLC**
4. **February 28, 2023 email from Richard E. Fritton II, Home Plate Clubs, Inc.**
5. **March 1, 2023 email from John Schoeffler, Swinging Doors**
6. **March 1, 2023 email from Bob Materne, Jr., Swinging Doors**

Policy Considerations

The current license fees are not projected to be sufficient to cover the agency’s costs of licensing, regulation, and enforcement beginning in fiscal year 2024.

Staff Recommendation

Staff recommends filing for further discussion.

WAC 230-05-160 Charitable or nonprofit organization fees.

Bona fide charitable and nonprofit organizations must pay the following fees:

(1) Annual licenses:

License Type	Base License Fee	Gross Gambling Receipts Rate	Maximum Annual License Fee
Amusement games	\$6570 plus \$65-70 per approved location	0.730 <u>0.774%</u>	\$1,000 <u>1,600</u>
Bingo	\$6570	0.460 <u>0.488%</u>	\$11,000 <u>17,600</u>
Card games - House-banked	\$10,000 <u>11,000</u>	1.462 <u>1.550%</u>	\$40,000 <u>64,000</u>
Card games - Nonhouse-banked	\$6570	0.430 <u>0.456%</u>	\$1,000 <u>1,600</u>
Combination	\$125 <u>140</u>	-	-
Fund-raising equipment distributor	\$270 <u>295</u>	1.430 <u>1.516%</u>	\$700 <u>1,120</u>
Punch board/pull-tabs	\$650 <u>715</u>	1.430 <u>1.516%</u>	\$10,000 <u>16,000</u>
Raffles	\$6570	3.380 <u>3.583%</u>	\$2,000 <u>3,200</u>
Raffles - Credit Union	\$6570	3.380 <u>3.583%</u>	\$2,000 <u>3,200</u>
Raffles - Enhanced <u>raffles</u>	\$5,000 <u>5,500</u>	0.430 <u>0.456%</u>	\$32,000 <u>51,200</u>
Raffles - Electronic* <u>raffles</u>	\$5,000 <u>5,500</u>	0.430 <u>3.583%</u>	\$32,000 <u>51,200</u>

*Commission will bill for actual expenses related to verifying/investigating electronic raffle operating and system requirements.

(2) Event licenses or permits:

License Type	Base License Fee	Gross Gambling Receipts Rate	Maximum Annual License Fee
Fund-raising event	\$180 <u>200</u>	3.130 <u>3.318%</u>	\$1,000 <u>1,600</u>
Recreational gaming activity	\$6570	-	-

License Type	Base License Fee	Gross Gambling Receipts Rate	Maximum Annual License Fee
Special property bingo/change of bingo premises	\$ 3035	-	-

(3) Change fees:

Change of:	Fee
Name	\$ 100110
Location	\$ 100110
Fund-raising event location, date, or time	\$ 5055

(4) Other fees:

Transaction	Fee
Add a new amusement game location	\$ 6570
Duplicate license	\$ 5055
Review, inspection, and/or evaluation of gambling equipment, supplies, services, games, or schemes	Deposit and cost reimbursement

[Statutory Authority: RCW 9.46.070. WSR 21-21-079, § 230-05-160, filed 10/18/21, effective 11/18/21; WSR 20-04-011, § 230-05-160, filed 1/24/20, effective 2/24/20; WSR 18-05-026, § 230-05-160, filed 2/9/18, effective 5/1/18.]

WAC 230-05-165 Commercial stimulant organization fees.

All commercial stimulant organizations must pay the following fees:

(1) Annual licenses:

License Type	Base License Fee	Gross Gambling Receipts Rate	Maximum Annual License Fee
Card games - Nonhouse-banked	\$6570	1.462 1.550%	\$20,000 <u>32,000</u>
Card games - House-banked	\$10,000 <u>11,000</u>	1.462 1.550%	\$40,000 <u>64,000</u>
Punch boards/pull-tabs	\$700 <u>770</u>	1.430 1.516%	\$13,000 <u>20,800</u>

(2) Change fees:

Change of:	Fee
Name	\$100 <u>110</u>
Location	\$100 <u>110</u>
Business classification (same owners)	\$100 <u>110</u>
Corporate stock/limited liability company shares/units	\$100 <u>110</u> , and cost reimbursement for investigating the transaction and qualification of each substantial interest holder
License transfers	\$100 <u>110</u>

(3) Other fees:

Transaction	Fee
Duplicate License	\$50 <u>55</u>

[Statutory Authority: RCW 9.46.070. WSR 18-05-026, § 230-05-165, 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 <u>220</u>	-	-
Call centers for enhanced raffles	\$4,800 <u>5,280</u>	-	-
Commercial amusement games	\$500-550 plus \$65-70 per approved location	1.130 <u>1.198</u> %	\$11,000 <u>17,600</u>
Distributor	\$700 <u>770</u>	1.430 <u>1.516</u> %	\$7,000 <u>11,200</u>
Fund-raising event distributor	\$280 <u>310</u>	1.430 <u>1.516</u> %	\$1,000 <u>1,600</u>
Linked bingo prize providers	\$1,500 <u>1,650</u>	.046 <u>0.048</u> %	\$20,000 <u>32,000</u>
Manufacturer	\$1,500 <u>1,650</u>	1.430 <u>1.516</u> %	\$25,000 <u>40,000</u>
Manufacturer's special sales permit	\$250 <u>275</u>	-	-
Punch board/pull-tab service business permit	\$250 <u>275</u>	-	-
Gambling service supplier	\$300 <u>330</u>	1.430 <u>1.516</u> %	\$7,000 <u>11,200</u>
Major sports wagering vendor	\$65,000	-	-
Mid-level sports wagering vendor	\$10,000	-	-
Ancillary sports wagering vendor	\$5,000	-	-

(2) Events or permits:

License or Permit Type	Base License Fee	Gross Gambling Receipts Rate	Maximum Annual License Fee
Recreational gaming activity	\$65 <u>70</u>	-	-
Special property bingo	\$30 <u>35</u>	-	-

(3) Change fees:

Change of:	Fee
Name	\$100 <u>110</u>
Location	\$100 <u>110</u>
Business classification (same owners)	\$100 <u>110</u>

Change of:	Fee
Corporate stock/limited liability company shares/units	\$100110 , and cost reimbursement for investigating the transaction and qualification of each substantial interest holder
License transfers	\$100110

(4) Other fees:

Transaction	Fee
Add a new amusement game location	\$6570
Defective punch board/pull-tab cost recovery fees	Up to \$100110
Duplicate license	\$5055
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, 9.46.075, 9.46.140, 9.46.153, 9.46.210. WSR 21-16-072, § 230-05-170, filed 7/30/21, effective 8/30/21. Statutory Authority: RCW 9.46.070. WSR 18-11-055, § 230-05-170, filed 5/10/18, effective 6/10/18.]

McLean, Lisa (GMB)

From: no-reply@wsgc.wa.gov on behalf of Washington State Gambling Commission via Washington State Gambling Commission <no-reply@wsgc.wa.gov>
Sent: Tuesday, February 14, 2023 11:39 AM
To: Rules Coordinator (GMB)
Subject: Request for Public Comment Submission from wsgc.wa.gov

External Email

Submitted on Tuesday, February 14, 2023 - 11:39am Submitted by anonymous user: 73.109.149.165 Submitted values are:

Select a Topic: Staff Initiated Rule Change: License fees

Name: Brian Keller

Organization: Let It Ride Casinos, Inc.

Comments: We are opposed to the increase in charges to the non-profit companies for a Fund Raising Event license. They are already limited to a \$10,000 maximum by legislative rule and asked to jump through an enormous amount of hoops. Increasing the fee and the maximum fee to \$1,600 from \$1,000 (a 60% increase!) is punitive to the people that are trying to raise money where government funds fall short. We are also opposed to the raising of the licensing fees for the companies that run Fund Raising Events for these non-profits as, without them, they would have to stick to bake sales and auctions etc.

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%2F3829&data=05%7C01%7Crules.coordinator%40wsgc.wa.gov%7C03a495501dc347bdd3b008db0ec3278e%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C638120003575067454%7CUnknown%7CTWFpbGZsb3d8eyJWljojMC4wLjAwMDA%7C%7C%7C&sdata=umjtkZpndt6PoKr5WEecZk5uyX7uABngxd4tBukrpi8%3D&reserved=0>



4424 Chennault Beach Rd
Suite B
Mukilteo, Washington 98275
425-315-8815
425-315-8844 fax

Provider of quality pull tab games and merchandise prizes since 1990.

February 14, 2023

Lisa C McLean
Legislative and Policy Manager
Washington State Gambling Commission
P.O. Box 42400
Olympia, WA 98504

Re: Public comment on proposed license fee rule change

To Lisa:

I attempted to submit this online, but it was declined, so here are my thoughts on the proposed license fee rule changes.

I am a pull tab distributor. Unfortunately, there is no differentiation between pull tab distributors and other types of distributors. Pull tab distributors sell paper purchased from licensed manufacturers and we may only sell these paper tickets to licensed operators. It is a significant difference from the other distributors in this license class. This was discussed during the last license fee changes (I was on the committee, representing the pull tab distributor stakeholders). The dramatic changes in calculating license fees were overwhelming. The pull tab distributor category was not given the attention it should have received as a unique subset in the distributor class.

The pull tab tickets are essentially included twice in the license fee categories (double "taxed"). The manufacturer pays on their sale of the paper tickets to the distributor, and we (the distributor) pay our license fee on our sales of the same paper tickets to the operators; amounting to double dipping of 3.146% being collected on the sale of the paper tickets. The operator pays on the gambling revenue. The department of revenue allows for a deduction of tax paid on items for resale to account for the double taxation. I understand this is not a tax we are discussing but a license fee. I encourage us to find a way to pay a flat license fee or allow the pull tab distributors to deduct the amount paid by the manufacturer (which will be passed onto distributors, as another price increase) from our license fees. I know this is a complicated issue and the pull tab distributors are in a unique situation. It calls for a unique solution.

In the previous discussions it was mentioned that the license fees should reflect the work required by the WSGC in relation to the license class. The pull tab distributors do not require WSGC staff interaction, unless it is to provide information TO the WSGC regarding a manufacturing or operator. Our company spends a significant amount of time confirming licensing status of operators, educating individuals on the rules, documenting and sending documentation of sales and purchases of licensed products. We do not charge for these services, but we do pay a high license fee for the honor.

Other distributors in our license category sell products with high profit margins and control over their own costs. We have little control in the industry and have spent the last several years being crushed by the manufacturers price increases. We have passed on the price increases which has increased our sales dollars but not the quantity of games sold. We will in turn have to pass an additional license fee increase onto the operators.

Sincerely,

Wendy Winsor

CFO

wendyw@wowdistributing.com

425-870-9741 mobile

McLean, Lisa (GMB)

From: no-reply@wsgc.wa.gov on behalf of Washington State Gambling Commission via Washington State Gambling Commission <no-reply@wsgc.wa.gov>
Sent: Tuesday, February 28, 2023 12:04 PM
To: Rules Coordinator (GMB)
Subject: Request for Public Comment Submission from wsgc.wa.gov

External Email

Submitted on Tuesday, February 28, 2023 - 12:03pm Submitted by anonymous user: 73.169.164.165 Submitted values are:

Select a Topic: Staff Initiated Rule Change: License fees

Name: Carolyn Kenyon

Organization: Freedom Flies LLC

Comments: How do you expect business to pay the fee increase? Do you have any proposals to reduce the taxation? Maybe make it so the payouts are deducted all across the board?

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%2F3869&data=05%7C01%7Crules.coordinator%40wsgc.wa.gov%7C9d24870ad3ae437d51fc08db19c6ebd3%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C638132114394629797%7CUnknown%7CTWFpbGZsb3d8eyJWljojoiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTil6Ik1haWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=gJwer90KLfNFWTkhXWlYjtrRr5psGO2ekpyaNIH6eUA%3D&reserved=0>

McLean, Lisa (GMB)

From: no-reply@wsgc.wa.gov on behalf of Washington State Gambling Commission via Washington State Gambling Commission <no-reply@wsgc.wa.gov>
Sent: Tuesday, February 28, 2023 3:47 PM
To: Rules Coordinator (GMB)
Subject: Request for Public Comment Submission from wsgc.wa.gov

External Email

Submitted on Tuesday, February 28, 2023 - 3:47pm Submitted by anonymous user: 50.34.133.0 Submitted values are:

Select a Topic: Staff Initiated Rule Change: License fees

Name: Richard E. Fritton II

Organization: Home Plate Clubs Inc., dba Home Plate Pub

Comments:

Hi Lisa,

RE: Proposed Fee Changes

I strongly object to the proposed 10% base fee increase and 6% quarterly gross gambling receipt rate increase. That alone is going to cost my business nearly 5k.

With the recent addition of Sports betting I would think that the WSGC should see a significant increase in revenue without having to further strap the mom and pop small business owners.

Prices have risen 15% for our pull tabs games.

Food costs have risen upwards of 60% on most all items.

Minimum wage just increased dramatically.

Cost of all goods acquired have increased.

Yet the state is collecting new fees of; Major sports wagering vendor. Initial fee of \$65,000.00 Mid-level sports wagering vendor. Initial fee of \$10,000.00 Ancillary sports wagering vendor. Initial fee of \$5,000.00 The anticipated tax would be 10 percent of the gaming revenue under SB 5212. I could not find the actual revenue numbers, but I would hedge a bet that they are huge.

Washington State University reviewed several possible scenarios for what sports betting in WA could look like. They also do analysis for what potential revenue and economic impacts could be in WA under each scenario. This is a method of measuring the total economic benefit to the state, not just the revenue, but the jobs created.

Retail sports betting at tribal casinos. No online betting. Projected economic impact of \$93.8 million.

Retail sports betting at tribal casinos. Online via apps after in-person registration. Projected economic impact of \$192 million.

Retail sports betting at tribal casinos. Online via apps after remote registration. Projected economic impact of \$322 million.

So I really do not think that it is reasonable to increase our fees and taxes for pull tabs when there is all this other new revenue being generated. Please reconsider. Neighborhood service businesses such as ours are as important to the communities we serve as are the Casinos.

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%2F3872&data=05%7C01%7Crules.coordinator%40wsgc.wa.gov%7Cdde2854562724d81fe1e08db19e619a7%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C638132248287096275%7CUnknown%7CTWFpbGZsb3d8eyJWljojMC4wLjAwM>

DAiLCJQJjoiV2luMzliLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=uiJ486mHVSP%2FW6b1mAHr3it%2FVNZQ9zR0wwpu7tNdjDk%3D&reserved=0

McLean, Lisa (GMB)

From: John Schoeffler <johnschoeffler@comcast.net>
Sent: Wednesday, March 1, 2023 10:28 AM
To: McLean, Lisa (GMB)
Subject: Re: Materials from 2nd Gambling Commission Stakeholder Meeting on Fee Adjustments (02.27.23)

External Email

Hi Lisa. I'm hoping you can forward this on to the proper people. I tried sending it through the link provided but each time it was kicked back. Thanks!!

My wife and I own and operate a dead game service in Spokane called Games A Weigh. We have roughly 50 accounts that we service in Eastern Washington and can testify to the struggles that most are undergoing. Higher costs for their food and beverage products, higher costs on pull tab games, staffing shortages, increased taxes, higher labor, etc.... I am also a manager at the Swinging Doors and have worked at the Doors for over 25 years. We are a high volume pull tab licensee by today's standards but nowhere near our heyday in terms of gross sales.

I would like to propose an idea to help generate additional revenue for the WSGC while increasing compliance and knowledge. I believe that the pull tab industry in Washington State could greatly benefit from a Pull Tab Dealer license. This license would be similar in nature to obtaining a Food Handler's permit or a Class 12/13 Liquor Service permit. Basically individuals that deal pull tabs at any licensed operator would be required to obtain a Pull Tab Dealer permit. In order to obtain the permit, the individual would have to attend an in person or online training class every 1-2 years. The class would convey important rules and regulations to each permit holder while touching on the impact of problem gambling. Another benefit to requiring pull tab dealers to have a valid permit to deal tabs is that individuals that are caught stealing can have their permits revoked. Finally, the fees collected for the permit would help offset rising costs for the WSGC without adding further costs to the licensees.

I would recommend a cost of \$50-\$100 to the dealer to obtain a permit and for each time it is renewed. I would also recommend that the term of each permit be no more than 2 years so that pull tab rules and regulations are covered often and so that the revenue for the WSGC is more substantial. In closing, as someone who his immersed in pull tabs, I am confident that pull tab dealers would benefit from this permit and that the fees would not be burdensome to them. Thanks for you time.

John Schoeffler
Swinging Doors
1018 W Francis Ave.
Spokane, WA 99208
(509) 326-6794 Work
(509) 599-1698 Cell

On 02/28/2023 10:49 AM McLean, Lisa (GMB) <lisa.mclean@wsgc.wa.gov> wrote:

Good morning!

On behalf of the Washington State Gambling Commission and as a follow up to the discussion yesterday, please find attached:

1. The PowerPoint presentation
2. A draft of rules related to fees to be amended

We appreciate all those who attended today's meeting, and we welcome any comments you might have on the proposals related to license fee and sports wagering vendor fee adjustments. Please visit this link to submit a comment: [Request for Public Comment | Washington State Gambling Commission](#).

With best regards,

Lisa

Lisa C McLean

Legislative and Policy Manager

Washington State Gambling Commission

P.O. Box 42400

Olympia, WA 98504

Office Cell: (360) 878-1903

lisa.mclean@wsgc.wa.gov



McLean, Lisa (GMB)

From: no-reply@wsgc.wa.gov on behalf of Washington State Gambling Commission via Washington State Gambling Commission <no-reply@wsgc.wa.gov>
Sent: Wednesday, March 1, 2023 9:40 AM
To: Rules Coordinator (GMB)
Subject: Request for Public Comment Submission from wsgc.wa.gov

External Email

Submitted on Wednesday, March 1, 2023 - 9:39am Submitted by anonymous user: 96.93.106.134 Submitted values are:

Select a Topic: Staff Initiated Rule Change: License fees

Name: Bob Materne, Jr.

Organization: The Swinging Doors

Comments: The increase in license fees to pull-tab operators is to ensure regulation and enforcement in the coming years? There will be NO pull-tab operators in the coming years if our fees keep increasing. The cost of games has gone up, the cost of labor has gone up, the cost of our dead game service has gone up and our margins are shrinking to next to nothing. We FINALLY are able to charge \$2 and \$5 per ticket, but that is after over 20 years of increases without being able to raise our "prices" from \$1 per tab maximum. Our license fees should be based on gross less payouts. If a customer buys \$20 worth of pull-tabs and wins \$500, we are \$480 in the hole and have to pay fees on the \$20! We have survived COVID shut-downs, are dealing with inflation like we've never experienced, there are supply chain issues and product shortages, and yet our state does not allow tip credit. Pull-tab operators will not survive if we don't get some sort of reprieve--sports gaming, perhaps? Some may argue they don't want "expansion of gambling" but our sales have gone from over 3 million per year in the mid-late 90's to now just over 1 million per year. Take 2 million dollars per year out of any small business and increase every aspect of their financial operation except profits and see how many survive. Thank you for the opportunity to speak about this.

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%2F3873&data=05%7C01%7Crules.coordinator%40wsgc.wa.gov%7Ce680abd69ebe4d3b77f108db1a7bee7e%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C638132891812467901%7CUnknown%7CTWFpbGZsb3d8eyJWljiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6IjEkaWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=kkLrcovUCRdYtVFIIg1dUR84qCHZHRF%2B0W59feG9Vkc%3D&reserved=0>



Staff Proposed Rule-Making
WAC 230-05-170 – Fees for other businesses.

March 2023 – Discussion and Possible Filing
January 2023 – Initiate Rule-Making

Tab 6: March 2023 Commission Meeting Agenda.	Statutory Authority 9.46.070
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Who Proposed the Rule Change?

Washington State Gambling Commission Staff

Background

BOLD = Changes made after January 2023 Commission Meeting

At the January 2023 meeting, Commissioners accepted a staff recommendation to initiate rule-making to reevaluate license fees for sports wagering vendors. Based on a thorough analysis of the first year of agency costs related to licensing, regulation, and enforcement of the sports wagering vendors, staff proposes to adjust vendor fees downward as follows:

- **Major Sports Wagering Vendor - ~~\$65,000~~ \$30,000**
- **Mid-Level Sports Wagering Vendor - ~~\$10,000~~ \$5,000**
- **Ancillary Sports Wagering Vendor - ~~\$5,000~~ \$2,000**

On March 25, 2020, Governor Jay Inslee signed House Bill 2638, authorizing sports wagering for Class III Tribal facilities under terms negotiated in Tribal-State Compacts.

Effective August 30, 2021, the Commission amended WAC 230-05-170 (1) to add license fees for three different types of sports wagering vendors:

- Major Sports Wagering Vendor - \$65,000
- Mid-Level Sports Wagering Vendor - \$10,000
- Ancillary Sports Wagering Vendor - \$5,000

A major sports wagering vendor provides integral sports wagering goods or services. A mid-level sports wagering vendor provides services or equipment related to data, security, and integrity. An ancillary sports wagering vendor provides necessary sports wagering support services.

At the time of adoption, Tribal partners and stakeholders expressed concern regarding the high license fees. Due to the concerns expressed, the Commission agreed to reevaluate the license fees for sports wagering vendors before the second year of renewal at the end of June 2023 since there was not enough data on the actual costs incurred before the first renewal period.

Attachment:

- 1) **Proposed Amended WAC 230-05-170 - Fees for other businesses.**

Stakeholder Feedback

On February 13, 2023 and February 27, 2023, commission staff held meetings with Tribal partners and stakeholders to present and discuss the staff's draft proposal for adjusted sports wagering vendor fees. There were questions about how the fees were calculated, but there were no specific objections or concerns raised at any of these meetings.

The Commission received a letter from Jeff Ifrah, General Counsel for iDEA Growth, on February 13, 2023 and from Ernest C. Matthews IV, Vice President & General Counsel for ISI, Ltd., on February 27, 2023.

Attachments:

- 1) February 13, 2023 letter from Jeff Ifrah, General Counsel, iDEA Growth**
- 2) February 27, 2023 letter from Ernest C. Matthews IV, Vice President & General Counsel for ISI, Ltd.**

Policy Considerations

As sports wagering is an authorized Tribal-only gambling activity, the costs to the Gambling Commission for licensing and enforcement must be supported by licensing fees collected from sports wagering vendors. The expenses related to licensing and enforcement should not be passed on to the licensees not benefiting from the activity. The amount of the vendor fees established in 2021 was based on the Commission's best estimate of the costs associated with both licensing and enforcement of a new gambling activity and its best guess of the number of vendors who would be applying for each license type. Now that the Commission has experienced a year of licensing and enforcement of these vendors, it has the necessary information to determine vendor fees.

Staff Recommendation

Staff recommends filing for further discussion of the proposed amended sports wagering vendor license fees.

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	-	-
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	\$65,000 <u>30,000</u>	-	-
Mid-level sports wagering vendor	\$10,000 <u>5,000</u>	-	-
Ancillary sports wagering vendor	\$5,000 <u>2,000</u>	-	-

(2) Events or permits:

License or Permit Type	Base License Fee	Gross Gambling Receipts Rate	Maximum Annual License Fee
Recreational gaming activity	\$65	-	-
Special property bingo	\$30	-	-

(3) Change fees:

Change of:	Fee
Name	\$100
Location	\$100
Business classification (same owners)	\$100

Change of:	Fee
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 board/pull-tab cost recovery fees	Up to \$100
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, 9.46.075, 9.46.140, 9.46.153, 9.46.210. WSR 21-16-072, § 230-05-170, filed 7/30/21, effective 8/30/21. Statutory Authority: RCW 9.46.070. WSR 18-11-055, § 230-05-170, filed 5/10/18, effective 6/10/18.]

February 13, 2023

Via Email (lisa.mclean@wsgc.wa.gov)

Ms. Lisa McLean
Legislative and Policy Manager
Washington State Gambling Commission
P.O. Box 42400
Olympia, WA 98504

Dear Ms. McLean,

The iDevelopment and Economic Association (iDEA Growth) is grateful for the opportunity to comment as the Washington State Gambling Commission (WSGC) considers whether to modify its previously-established sports wagering vendor license fees set forth in WAC 230-05-170 (1). By way of background, iDEA Growth was founded to advocate for responsible internet gaming policies that spur economic growth and protect consumers. Our membership – 33 companies and growing – represents every segment of this industry and has vast experience in regulated jurisdictions across the United States. Drawing from the successes of other states that have built strong sports betting markets, our association is uniquely positioned to provide a 360-degree perspective on sports betting policy issues.

As to WAC 230-05-170 (1), iDEA Growth respectfully recommends that the WGPU reduce the base license fee for all three levels of sports wagering vendors. The fees currently in effect are not only higher than fees for vendors in similar on-premises wagering jurisdictions but also higher than the fees many states use for mobile sports wagering. This is important to note as the total potential market in jurisdictions allowing mobile sports wagering is significantly larger than the potential market in states only permitting retail/on-premises wagering.

When looking at other states for comparison, Virginia and Arizona are similarly populated states with sports betting, and their fees are as follows:

VIRGINIA	ARIZONA
<p>Supplier License:</p> <ul style="list-style-type: none"> Initial license: \$50,000 (valid for 3 years) Renewal license: \$50,000 (valid for 3 years) <p>Vendor Registration:</p> <ul style="list-style-type: none"> Initial registration: \$500 (valid for 3 years) Renewal registration: \$500 (valid for 3 years) 	<p>Management Services Provider License:</p> <ul style="list-style-type: none"> Initial license: \$10,000 (valid for 2 years) Annual license fee: \$5,000 <p>Supplier / Ancillary Supplier License:</p> <ul style="list-style-type: none"> Initial license: \$1,500 (valid for 2 years) Renewal license: \$500 (valid for 2 years)

iDEA Growth and WSGC share the common goal of helping the State of Washington strengthen its sports wagering market. To achieve this goal, we recommend reducing the license fees for all three categories and putting them in line with comparable fees in other states with successful sports wagering markets. Thank you for your attention to this issue.

Sincerely,



Jeff Ifrah
General Counsel, iDEA Growth
jeff@ifrahlaw.com



February 27, 2023

***VIA E-MAIL TO RULES.COORDINATOR@WSGC.WA.GOV
& POSTAL SERVICE TO¹***

Ms. Lisa McLean
Legislative and Policy Manager
Washington State Gambling Commission
P.O. Box 42400
Olympia, Washington 98504

RE: Preproposal Statement of Inquiry - Sports Wagering License Fees

Dear Ms. McLean:

Please accept this correspondence as the response of Internet Sports International, Ltd. (“ISI”) to the Washington State Gambling Commission’s (WSGC) *Preproposal Statement of Inquiry* regarding the agency’s intent to “review and adjust license fees” for sports wagering vendors. WSR 23-03-078. In sum, ISI supports the WSGC’s pending rule making effort and believes the sports wagering license fees should be significantly reduced. While discussed in greater detail below, the current license fees are (a) not rationally related to the costs incurred by the agency for licensing and enforcement purposes; (b) exorbitant compared to license fees charged to other WSGC-licensed commercial vendors; and (c) so high the fees make sports book operations cost-prohibitive for tribes with smaller venues and/or remote locations in Washington State.

A. ISI Sports. ISI commenced its operations as a research and development Company in 1999, developing self service sports betting kiosks along with technology which was patented for use in that sector. Through a subsidiary, it commenced the

7250 Peak Drive, Suite 210
Las Vegas, NV 89128
www.isiraceandsports.com

distribution of sport betting related equipment and provided risk management in regulated international retail markets in 2005.

Subsequent to the PASPA US Supreme Court decision in 2018, ISI started providing its equipment and risk management/consulting to US based commercial and tribal casinos. Throughout its history, ISI has worked with casino operations of all sizes, although its specialty has been to offer smaller and mid-sized casinos the opportunity to add sports betting to their inventory of gaming services through its more economical cost template.

ISI has worked in a myriad of regulatory environments and is familiar with the variety of licensing requirements in international and domestic markets. It is licensed as both a major and a mid-level sports wagering vendor in Washington State. Accordingly, in addition to special investigation fees paid as part of its initial application process, the company has paid annual license fees of \$65,000 and \$10,000, respectively, a figure which is substantially larger than that found in other jurisdictions for retail sports betting operations.

B. Sports Wagering Vendor Fees Should be Significantly Reduced.

The WSGC's sports wagering license fees, particularly the major sports wagering vendor fees, are unconscionably high and appear to exceed the agency's actual cost of licensing and enforcement. Further, at \$65,000 per year, the major sports wagering vendor fee exceeds the next closest commercial vendor fee by 260% *i.e.*, the maximum annual license fee for a gambling equipment manufacturer is \$25,000. While large sports book operations can offset or absorb higher overhead costs and license fees due to the higher volume of customer traffic and larger handle, many mid-size and smaller venues do not have such a luxury. Consequently, the WSGC's fees have contributed to pricing smaller and/or remote tribal venues out of the sports wagering market, something that was probably not considered when sports betting was first awarded exclusively to tribal casino facilities in Washington.

a. Special Investigation Fees, Annual License Fees, and Tribal Reimbursements.

The *Preproposal Statement of Inquiry* states, “the costs to the gambling commission for licensing and enforcement must be supported by the fees collected from sports wagering vendors.” However, the WSGC collects various fees to cover agency costs related to its role licensing tribal sports wagering vendors. In addition to the \$65,000 annual license fee, major sports wagering vendor applicants are routinely assessed five-figure special investigation fees as part of the initial licensing process. Special investigation fees are represented as necessary to cover the costs of the WSGC’s licensing investigation, and applicants are required to submit a deposit to cover the agency’s expected special investigation fees.

In addition to the initial special investigation fees assessed sports wagering applicants, the Tribal-State Compacts contain provisions for tribal reimbursement of the WSGC’s initial sports wagering start-up costs associated with tribal sports books in operation as of March 31, 2023. According to a WSGC budget presentation at the January 5, 2023, Gambling Commission meeting, the “estimated tribal reimbursement for SW expenditures and interest” was over \$1.6 million. Regarding ongoing or future sports wagering enforcement, the costs to the WSGC should be minimal given the respective Tribal Gaming Agencies are intended to serve as the primary regulators of the sports wagering activities. The agency’s sports wagering license fees were developed in conjunction with the WSGC’s original regulatory proposal that envisioned a more robust regulatory and enforcement role for the agency. However, the original rules package was modified, and significantly reduced the WSGC’s role regarding regulation of tribal sports book operations.

b. Major Sports Wagering License Fees are Dramatically Higher Than Other WSGC Licensees.

The license fee for a major sports wagering vendor is an annual flat fee of \$65,000. (The annual license fees for mid-level and ancillary vendor categories are \$10,000 and \$5,000, respectively.) However, unlike tribal sports wagering vendors, the majority of WSGC license fees are based on a percentage of licensee’s revenue. Consequently, the

license fees for similarly situated commercial vendors are dramatically lower than their sports wagering counterparts. For example, gambling equipment manufacturers represent the next highest WSGC possible license fee category of commercial vendors, and their fees are linked to the volume of their business in Washington. In addition to potential special investigation fees as part of the initial license application, a gambling equipment manufacturer pays an annual base fee of \$1,500 and a quarterly license fee based on 1.43% of the licensee's gross gambling receipts, up to an annual maximum of \$25,000. Consequently, regardless of the volume of their business, all major sports wagering vendor licensees pay a fee of \$65,000, which is 260% higher than that of the closest commercial non-sports wagering vendor.²

c. Higher License Fees Have a Disproportionate Adverse Impact on Some Tribes.


Many tribal casino locations are located in areas with a lower population customer base and/or are in remote parts of the state. Vendors providing the sports betting tools to operate a sports book are faced with these draconian fees in amounts that reduce those companies which could otherwise compete in the market, given high licensing fees and ongoing operational costs imposed by the need for penetration testing and GLI review. In these types of markets it is hard to justify the provision of the services given the lower handle that accompanies the traditional hold in sports betting.

This means that the tribe will have to absorb some of these license fees and costs to secure the necessary services. It is clear that when the sports betting rights were first granted to tribal casino operations in Washington, the thought was that there would be an economic benefit to all tribes, not just those strategically linked to large population centers. A major reduction in the ongoing fees and costs is mandated to give all tribes the right to participate in the provision of sports betting to their respective customers. This reduction can occur as well given the limited risks associated with this retail activity requiring the wagerer to be on site.

² House-banked cardrooms, operating as a commercial stimulant retail business, pay an annual base fee of \$10,000 and quarterly rate of 1.462%, up to an annual maximum of \$40,000.

Thank you in advance for your assistance. We look forward to working with you and the WSGC staff on how best to lower the sports wagering vendor license fees. Please let us know if you have any questions or need more information.

Sincerely,
INTERNET SPORTS INTERNATIONAL, LTD.

DocuSigned by:

670754FE4451499...

Ernest C. Matthews IV
Vice President/General Counsel



Rule Petition to Amend

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

MARCH 2023 – Discussion and Possible Action
FEBRUARY 2023 – Discussion Only
JANUARY 2023 – Discussion and Possible Filing
AUGUST 2022 – Initiate Rule-Making
JULY 2022 – Rule-Making Petition Received

Tab 7: MARCH 2023 Commission Meeting Agenda.

Statutory Authority 9.46.070

Who Proposed the Rule Change?

Vicki Christophersen, Representing Maverick Gaming in Kirkland, Washington

Background

BOLD = Changes made after February 2023 Commission Meeting.

Vicki Christophersen, representing Maverick Gaming, is proposing to amend WAC 230-15-140 as follows:

- Increase the maximum single wagering limit from \$300 to \$500 for all house-banked gaming tables. Provided that if the licensee has a “high limit room” they may increase the single wagering limit to \$1,000 for a select number of high limit tables as follows:
 - Cardrooms with 1-5 total tables – no more than 1 high limit table; or
 - Cardrooms with 6-10 total tables – no more than 2 high limit tables; or
 - Cardrooms with 11-15 total tables – no more than 3 high limit tables.
- Add a definition of “high limit room” meaning a clearly identified area of the gaming facility separated by a permanent physical barrier or a separate room in the gaming facility.
- Restrict access to high limit tables in the high limit room to only prescreened players and players who are not self-excluded from gambling or exhibit problem gambling behaviors.

The petitioner feels this change is needed for several reasons:

- To reflect current economic conditions and customer demand; and
- Wagering limits have not been increased since 2009 and operating costs have increased significantly since then; and
- Minimum wage has nearly doubled since 2009 and supply chain issues and inflation has had a negative impact on card room revenue; and
- To keep the wagering limits for card rooms fair and consistent with competitors, specifically Tribal casinos. Tribal compacts have been steadily amended to increase wagering limits at their casinos.

The petitioner feels the effect of this rule change will allow house-banked card rooms to compete on a more level playing field with Tribal casinos. The petitioner also believes the rule change will allow for the preservation of family wage jobs and economic contributions to the communities they are part of. Lastly, the petitioner feels that the rule change will provide increased tax collection for the local jurisdictions they operate house-banked card rooms in.

At the August 2022 meeting, Commissioners accepted a petition and chose to initiate rule-making to amend WAC 230-15-140 related to wagering limits for house-banked card games. At the meeting, the Commissioners expressed several questions they had and information they felt they needed before proceeding forward.

Before you in January 2023 were four draft language options to consider, in no particular order:

- Option A: Allows for wagering limits over the current maximum limit of \$300 but not to exceed \$500 under certain conditions. Conditions include: 1) limits over \$300 must be approved in internal controls; 2) only three tables are authorized to have limits greater than \$300; 3) the licensee must establish a designated space (i.e. a high limit room/area) for tables where limits over \$300 will be played; 4) problem gambling signage must be posted in the high limit room/area; and 5) verification that players are not on the self-exclusion list prior to them gambling at limits greater than \$300.
- Option B: Increases the maximum wagering limit from \$300 to \$500 for a single wager.
- Option C: Increases the maximum wagering limit from \$300 to \$400 for a single wager.
- Option D: Increases the maximum wagering limit from \$300 to \$500 for a single wager. In addition, it allows for wagering limits up to \$1,000 under certain conditions. Conditions include: 1) limits over \$500 must be approved in internal controls; 2) only three tables are authorized to have limits greater than \$500; 3) the licensee must establish a designated space (i.e. a high limit room/area) for tables where limits over \$500 will be played; 4) problem gambling signage must be posted in the high limit room/area; and 5) verification that players are not on the self-exclusion list prior to them gambling at limits greater than \$500.

At the January 2023 commission meeting, Commissioners filed Option B for further discussion.

At the February 2023 commission meeting, Commissioners directed staff to do additional research on the history of commission discussion and public commentary on wager limits and of the number of house-banked card rooms from 1997 to the present. In this package, staff provides a graphic representation of the number of house-banked card rooms from 1997 to the present.

Attachments:

- Petition
- WAC 230-15-140
- Option B as filed by the Commissioners at the January 2023 meeting
- Draft Language Options
- Transcript of the HBCR wager increase discussion from the August 2022 commission meeting
- Questions and WSGC responses from the August 2022 commission meeting
- Transcript of the HBCR wager increase discussion from the January 2023 commission meeting
- **Transcript of the HBCR wager increase discussion from the February 2023 commission meeting**
- **Number of House-Banked Card Rooms from 1997 to present**

On August 10, 2022, Tony Johns, General Manager of Chips/Palace Casino in Lakewood, WA, sent a letter to the Commission on behalf of Evergreen Gaming in support of the petition to raise wagering limits. The letter in question is attached in the Commission Meeting packet.

On September 28, 2022, staff held a stakeholder meeting to discuss the wagering limit petition. There were 14 participants from the gaming industry. The consensus was support for the petition to raise wagering limits for house-banked card games. No participant in the meeting was against raising wagering limits.

On September 28, 2022, staff held a meeting with tribal partners to discuss three outstanding petitions to include the wagering limit petition.

On October 26, 2022, the petitioner submitted two documents to the WSGC:

- Document titled “Follow up to questions posted by WSGC member to Maverick Gaming petition to increase wager limits.” Note: The petitioner submitted this document in response to the Commissioner’s questions at the August 2022 meeting.
- Document titled “A Brief History of Gambling in Washington State.”

Both documents referenced above are attached. WSGC staff has not independently verified the alleged facts contained in either document.

On December 1, 2022, the petitioner submitted an untitled document to the WSGC describing various wagering limits for different states. The document is attached. WSGC staff has not independently verified the alleged facts contained in the document.

Further stakeholder and Tribal partner outreach will occur following the filing of the rules for further discussion.

On January 27, 2023, we received an email from Jerry Howe, owner of Wild Goose Casino in Ellensburg, in support of the petition.

On February 13, 2023, staff held a stakeholder meeting to discuss the wagering limit petition, as well as two staff-initiated rules changes. There were 48 participants from the gaming industry as well as the nonprofit sector. The consensus was support for the petition to raise wagering limits for house-banked card games. No participant in the meeting was against raising wagering limits.

On February 13, 2023, staff held a meeting with Tribal partners to discuss the wagering limit petition, as well as two staff-initiated rules changes. Discussants felt \$500 was an excessive limit that did not correlate to the definition of “commercial stimulant” in RCW 9.46. There was interest in understanding how this provision was applied after licensure.

On February 17, 2023, we received an email from Kris O. Murray in support of the petition.

On February 24, 2023, we received a letter from Michael D. McKay of K&L Gates, on behalf Maverick Washington LLC, in support of the petition.

Attachments:

- Stakeholder Letter

- Documents submitted by Maverick Gaming (3)
- Email from Jerry Howe
- **Email from Kris O. Murray**
- **Letter from Michael D. McKay of K&L Gates, on behalf of Maverick Washington, LLC**

Policy Considerations

Pursuant to RCW 9.46.070 (11), the Commission has the power and authority to “*establish the type and scope of and manner of conducting gambling activities authorized by this chapter, including but not limited to, the extent of wager, money, or thing of value which may be wagered or contributed or won by a player...*”

RCW 9.46.0282 defines a “social card game” as a “*card game that constitutes gambling and is authorized by the Commission under RCW 9.46.070.*” Authorized card games include house-banked games. Furthermore, RCW 9.46.0282 states that “*the card game must be played in accordance with the rules adopted by the commission under RCW 9.46.070, which shall include but not be limited to rules for the collection of fees, limitation of wagers and management of player funds.*”

Pursuant to RCW 9.46.0282, the number of tables in a card room shall not exceed a total of fifteen separate tables. The petitioner is not requesting to operate more than fifteen tables. Rather, the petitioner is requesting that the wagering limits be increased from \$300 to \$500 on all tables with the ability to raise limits to \$1,000 for a select number of high limit tables.

House-banked card rooms opened in 1997 where wagering limits for games were set at \$25. In 2000, wagering limits increased to \$100, in 2004 to \$200, and lastly 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.

In January 2022, the Commission received a petition from Tim Merrill with Maverick Gaming requesting the Commission to increase wagering limits to \$500 with the ability to raise the limit to \$1,000 on 25% of tables. The petition was withdrawn by Tim Merrill prior to the Commissioners taking any action.

Additional rulemaking will be needed to address policy concerns, new definitions, and possible new requirements.

Attachments:

- Transcript for January 2023 Commission Meeting
- Transcript for August 2022 Commission Meeting
- Summary of Questions
- Summary of the 2016 RGA Petition to Increase HBCR Wager Limits to \$500
- History of Laws and Rules
- Chain Inflation Document

Problem Gambling Implications

Staff reached out to the Evergreen Council on Problem Gambling for feedback and/or for further resources to determine the impacts of problem gambling should table game wager limits be increased. As of December 29, 2022, no feedback had been received indicating increasing wager limits would impact those who had a problem with gambling.

Staff reviewed the Massachusetts Gambling Impact Cohort Study of April 16, 2021, entitled “A Six-Year Longitudinal Study of Gambling and Problem Gambling in Massachusetts” and the “New Zealand National Gambling Study Wave 4 (2015) Report Number 6” from March 29, 2018, for information on the impact of higher table game wager limits on players who have a problem with gambling.

Neither report indicated that higher table game wager limits were predictors of problem gambling.

The studies can be found at:

- https://massgaming.com/wp-content/uploads/MAGIC-Six-Year-Longitudinal-Study-of-Gambling-and-Problem-Gambling-in-Massachusetts_Report-4.16.21.pdf
- https://phmhri.aut.ac.nz/_data/assets/pdf_file/0019/193123/Final-Report-National-Gambling-Study-Report-6-29-March-2018.pdf

Staff Recommendation

Your options are to:

- 1) Take final action;**
- 2) File amended language (make changes during the public meeting);**
- 3) Request staff to continue to its research; or**
- 4) Withdraw the petition in writing, a) stating the reasons for the withdrawal, specifically addressing the concerns stated in the petition, or b) indicating alternative means by which the agency will address the concerns raised in the petition.**



PROPOSED RULE MAKING

CR-102 (July 2022)
(Implements RCW 34.05.320)
Do **NOT** use for expedited rule making

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: January 11, 2023
TIME: 3:39 PM

WSR 23-03-060

Agency: Washington State Gambling Commission

- Original Notice**
- Supplemental Notice to WSR** _____
- Continuance of WSR** _____

- Preproposal Statement of Inquiry was filed as WSR 22-17-079 ; or**
- Expedited Rule Making--Proposed notice was filed as WSR _____; or**
- Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or**
- Proposal is exempt under RCW _____.**

Title of rule and other identifying information: (describe subject) **AMEND:** WAC 230-15-140- Wagering limits for house-banked card games.

Hearing location(s):

Date:	Time:	Location: (be specific)	Comment:
March 9, 2023	9:30 a.m.	Washington State Gambling Commission 4565 7 th Avenue SE Lacey, WA 98503	The meeting time and location is tentative. Visit our website at www.wsgc.wa.gov approximately seven days prior to the meeting and select "Public Meetings" to confirm the hearing date, location, start time, and agenda items.

Date of intended adoption: March 9, 2023 (Note: This is **NOT** the effective date)

Submit written comments to:

Name: Jess Lohse
 Address: PO Box 42400, Olympia, WA 98504-2400
 Email: rules.coordinator@wsgc.wa.gov
 Fax:
 Other: www.wsgc.wa.gov
 By (date) February 28, 2023

Assistance for persons with disabilities:

Contact Julie Anderson
 Phone: (360) 486-3453
 Fax:
 TTY: (360) 486-3637
 Email: Julie.anderson@wsgc.wa.gov
 Other: www.wsgc.wa.gov
 By (date) February 28, 2023

Purpose of the proposal and its anticipated effects, including any changes in existing rules: The proposed rule amendment would increase the maximum wagering limit for house-banked card games from \$300 to \$500 for a single wager.

Reasons supporting proposal: The WSGC received a petition from a licensee proposing to amend rules to raise wagering limits for house-banked card games. Wagering limits have not been increased since 2009. According to the petitioner, the cost of doing business has increased significantly since 2009 to include higher minimum wages, food and beverage costs, along with other costs associated with running a card room/business.

Statutory authority for adoption: RCW 9.46.070

Statute being implemented:

Is rule necessary because of a:

- Federal Law? Yes No
- Federal Court Decision? Yes No
- State Court Decision? Yes No

If yes, CITATION:

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:

Type of proponent: Private Public Governmental

Name of proponent: (person or organization) Vicki Christophersen, representing Maverick Gaming in Kirkland, WA.

Name of agency personnel responsible for:			
	Name	Office Location	Phone
Drafting:	Jess Lohse, SA	4565 7 th Ave SE, Lacey, WA 98503	(206) 786-3530
Implementation:	Tina Griffin, Director	4565 7 th Ave SE, Lacey, WA 98503	(360) 507-3456
Enforcement:	Gary Drumheller, AD	4565 7 th Ave SE, Lacey, WA 98503	(509) 325-7904

Is a school district fiscal impact statement required under [RCW 28A.305.135](#)? Yes No

If yes, insert statement here:

The public may obtain a copy of the school district fiscal impact statement by contacting:

Name:
Address:
Phone:
Fax:
TTY:
Email:
Other:

Is a cost-benefit analysis required under [RCW 34.05.328](#)?

Yes: A preliminary cost-benefit analysis may be obtained by contacting:
Name:
Address:
Phone:
Fax:
TTY:
Email:
Other:

No: Please explain:

Regulatory Fairness Act and Small Business Economic Impact Statement
 Note: The [Governor's Office for Regulatory Innovation and Assistance \(ORIA\)](#) provides support in completing this part.

(1) Identification of exemptions:
 This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see [chapter 19.85 RCW](#)). For additional information on exemptions, consult the [exemption guide published by ORIA](#). Please check the box for any applicable exemption(s):

This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.061](#) because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.
 Citation and description:

This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by [RCW 34.05.313](#) before filing the notice of this proposed rule.

This rule proposal, or portions of the proposal, is exempt under the provisions of [RCW 15.65.570\(2\)](#) because it was adopted by a referendum.

This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025\(3\)](#). Check all that apply:

<input type="checkbox"/> RCW 34.05.310 (4)(b) (Internal government operations)	<input type="checkbox"/> RCW 34.05.310 (4)(e) (Dictated by statute)
<input type="checkbox"/> RCW 34.05.310 (4)(c) (Incorporation by reference)	<input type="checkbox"/> RCW 34.05.310 (4)(f) (Set or adjust fees)
<input type="checkbox"/> RCW 34.05.310 (4)(d) (Correct or clarify language)	<input type="checkbox"/> RCW 34.05.310 (4)(g) (i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit)

This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025\(4\)](#) (does not affect small businesses).

This rule proposal, or portions of the proposal, is exempt under RCW _____.

Explanation of how the above exemption(s) applies to the proposed rule:

(2) Scope of exemptions: *Check one.*

- The rule proposal is fully exempt (*skip section 3*). Exemptions identified above apply to all portions of the rule proposal.
- The rule proposal is partially exempt (*complete section 3*). The exemptions identified above apply to portions of the rule proposal, but less than the entire rule proposal. Provide details here (consider using [this template from ORIA](#)):
- The rule proposal is not exempt (*complete section 3*). No exemptions were identified above.

(3) Small business economic impact statement: *Complete this section if any portion is not exempt.*

If any portion of the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

No Briefly summarize the agency's minor cost analysis and how the agency determined the proposed rule did not impose more-than-minor costs. The amendment to WAC 230-15-140 increases wagering limits for house-banked card games. If approved, house-banked card rooms will be able to offer higher wagering limits which may increase revenue for the business. Therefore, licensees will not incur any additional costs if the rule amendment is approved.

Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses and a small business economic impact statement is required. Insert the required small business economic impact statement here:

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

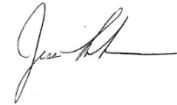
Name:
Address:
Phone:
Fax:
TTY:
Email:
Other:

Date: January 11, 2023

Name: Jess Lohse

Title: Special Agent (Acting Rules Coordinator)

Signature:



OPTION B

AMENDATORY SECTION (Amending WSR 21-11-057, filed 5/14/21, effective 6/14/21)

- WAC 230-15-140 Wagering limits for house-banked card games.** (1)
A single wager must not exceed (~~three hundred dollars~~) \$500.
- (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.

Transcript of HBCR wager increase discussion, Commission Meeting, February 9, 2023

Alicia Levy: All right. Thank you very much, Director Griffin. Next up is a petition for a discussion only -- Wagering Limits for House-Banked Cardrooms, Jess Lohse, Special Agent. Good morning.

Jess Lohse: Thank you. Good morning, Chair, Commissioners, ex officios. For the record, my name is Jess Lohse. I am a Special Agent in our Regulation Unit. If you could turn to Tab 2 in your Commission Meeting packet. We are here today for discussion only on a petition to raise wagering limits for house-banked card games. If you recall, at the January 2023 Commission Meeting, staff brought forward four possible rules with draft language. They were labeled A, B, C, and D. The Commissioners voted to file draft language for option B, which was to increase the maximum wagering limits from \$300 to \$500 for a single wager. Since that Commission Meeting, we have received some feedback.

On January 27, 2023, we received an email from Jerry Howe, Owner of Wild Goose Casino in Ellensburg, in support of the petition. You will notice that this Commission Meeting packet in Tab 2 is rather large. Over the last couple of Commission Meetings in August and January, the Commissioners had several questions related to this petition. And what staff has done is we went through and pulled the transcripts of both the August 2022 Commission Meeting and January 2023 Commission Meeting and attempted to flag some of the questions that Commissioners have brought up. And then staff went and attempted to answer a lot of those questions. So you will see a number of different attachments related to this petition. Staff recommends filing this for further discussion. The earliest you could take final action on this would be at the March 2023 Commission Meeting. And I will stand by if you have any questions for me. Thank you.

Alicia Levy: Thank you, Jess. And I just want to thank the staff for putting that together and getting the transcripts together. I thought that was all very, very helpful.

Julia Patterson: That was a lot of work.

Alicia Levy: It was a lot of work.

Julia Patterson: Yeah.

Alicia Levy: Appreciate that. Does anyone have any questions or comments for the Commissioners? Any other discussion on this? Yes, Dr. Griffin.

Tina Griffin: I just like to supplement a little bit more with some information and answering some questions that have been outstanding or have come about as part of the discussion. So in your packet are the questions from the August 2022 Commission Meeting. Hopefully, you can see how

where we pull those and how we pull those from the transcripts from that meeting. I just want to check in and see if there are any further questions that we did not capture for information or for staff's research on that if there is anything outstanding.

Bud Sizemore: Yes, I have one. And maybe I missed it. So let me find it so that I am thinking appropriately. So one of my dilemmas in contemplating this is the food and beverage and how we view that. The conflicts between primarily engaged in selling a food or drink for consumption on premises versus it being removed from the statute in other places and our rules that still hold that. And the statute that removed primarily still [indistinct] tells the Commission to do rules or that has the authority to do rules related to that, so currently I don't think we are out of sync, necessarily. And I'm still looking at the \$300 that was established that seemed to be okay at the time. And now trying to figure out if we increase it, whether we are still okay within those parameters. So I'm curious, I guess, whether we need to have some deliberations about it. Let me get the right one. Yeah, WAC 230-03-175. I mean, do we need to answer what that means?

Alicia Levy: I'm sorry. Could you clarify that, Bud?

Bud Sizemore: Sure.

Alicia Levy: Just that last point you made.

Bud Sizemore: Do we need to wrap in contemplating changes to 230-03-175 if we were to raise wager limits? Because it feels to me a little bit like -- and I don't know whether it even creates a rule change necessarily -- but a robust discussion about how that works, what that means in relation to a \$400 wager or a \$500 wager. So, yeah. I'm still just struggling with that. My goal is to traverse this without the legislature feeling they have to try to preempt what we have done. And that has happened in the past, certainly related to electronic raffles. I didn't like it then. I don't think I would like it now. So I want to make sure that we are staying in that lane. And I think if we have a robust discussion about all of that -- and I don't know whether how far we can get there today -- but certainly have that robust discussion of how all those things interplay. And then I think we can have a lot more confidence that what we are doing is going to get the thumbs up from the legislature. And they would only intervene if they feel like they have to intervene.

I'm looking at you because you do have some time in those seats, as well. So, yeah, those are my thoughts. And I am sympathetic to the petitioner's desire to go ahead and let's get this taken care of. But it's a change that will last a long time, so I want to make sure that we do it right.

Julia Patterson: I agree with Bud. And I do have one quick question. When we set the limit at \$300, did we have a similar discussion to what's going on today? Does anyone remember or know?

Tina Griffin: I do not know. So I will put that on the question list, and we will put the materials in your packet for next meeting.

Julia Patterson: Thank you. Madam Chair. I think that Bud Sizemore is right that we should have a broad conversation so that we fully understand before proceeding.

Alicia Levy: Okay. Commissioner Lawson, do you?

Sarah Lawson: Yeah. No, I agree. We need to have more discussion because we want to make sure that we are making the right move and are addressing all the issues at once instead of creating more problems for other commissioners down the road. There are two points that I see here. One is that I need a little bit more information., and I'm hoping staff can help us out here. I would like to see the number of house-banked cardrooms in Washington State over time, so from 1997 to present. Just the straight number that we have had. And I think Vice Chair Patterson's point, I think that we need to look at adding some language regarding problem gambling to the rule. And I know that that was offered in options A and D when we considered this last month, that maybe we need to look at some of that language and examine the possibility of adding some of that language and as we are looking at further revisions or further drafts of this revision.

Alicia Levy: Okay, thank you [cross-talk] option --

Bud Sizemore: That's right.

Alicia Levy: Just to see what the options were surrounding problem gambling. Scroll fast enough? [laughter] Okay. So I guess we have a couple more questions that the staff can answer. And that might help further to the discussion. But is there anything more specific that anyone is looking for to try to get this discussion moving and going other than that that you can think of?

Bud Sizemore: I guess I have one. I guess I will ask Sarah Lawson. I will ask all of my fellow Commissioners one thing when I read Option A, Option D, and what those languages to the rules were. It made me feel like we were going to be scrutinizing just the 500-limit table, only if they went to 500. And I want to make sure that we -- I mean, problem gambling could be problematic on a \$2 table versus a \$300. So it just felt a little wonky language-wise because I think the proprietors and the Agency and our partners in problem gambling already care about problem gambling. So I'm interested in making sure that problem gambling is addressed. But I don't want it, our rule, whatever language would be considered to diminish other places that we are doing problem gambling awareness or tactics to diminish it. And I don't know how you thread that needle.

Tina Griffin: So just for clarity, are you asking that staff bring back some various forms of problem gambling language?

Alicia Levy: Just for discussion.

Tina Griffin: Okay. Thank you.

Alicia Levy: Okay. Any Commissioners have anything else?

Bud Sizemore: Maybe after public comment.

Tina Griffin: So, I do have. Sorry, go ahead ask. I'll ask.

Alicia Levy: No, you're good. Okay.

Tina Griffin: I'll wait. So I did have a few other questions in regard to the eight that were in the packet. There were a few that staff has not completed and so interested to know if that is still something that you are interested in us answering and collecting the information on and verifying the scope within, as well. So there is understanding Tier 1, Tier 2, and Tier 3 supplier impacts. What does the ripple impact to Tier 1, Tier 2, and Tier 3 suppliers look like? And what is the ripple into the communities really mean when we use that language? That was the question we pulled from the transcript. So, if that is the scope of which you are still interested in, that is helpful. If you could help narrow the scope a tad bit because this is something that we will have to seek a request for a bid and proposal on because we do not have an economist on staff. And so this will take a bit of time, and I need some more clarity so that I can make sure that we are getting a bid and then developing the scope of work through that contract appropriately. It's question #6 in the packet.

Bud Sizemore: Yeah.

Alicia Levy: I don't know that I'm necessarily interested in that question, but someone else might be.

Julia Patterson: It's not compelling.

Alicia Levy: No. Right.

Sarah Lawson: And I don't necessarily need that information either.

Bud Sizemore: Yeah. And I went to the writing of the meeting. Yeah. As I read through that request -- why can't I think of that word? Transcription?

Multiple Speakers: Transcription?

Bud Sizemore: Maybe that's it. [laughter] --

Julia Patterson: The writing of the meeting words.

Bud Sizemore: I thought that was pretty good and pulled that out. And I think it's maybe a much more complex understanding of the entire supply chain that probably won't be very beneficial to our discussion. So, I mean, costs in, costs out. And ultimately, I'm much more interested in trying to pin down the correlation between the gaming and the food and beverage versus how the whole supply chain works for the food and beverage.

Alicia Levy: Okay. Thank you. So staff will not be providing any additional information on #6 that is in the packet. The #7 pulled from the transcripts quoted, "I would love for staff as we go through the rulemaking process to identify those establishments that really market themselves as cardrooms first versus establishments that mark themselves as bars. So we, staff, has not yet compiled the social media print and commercial marketing materials for the 38 operating house-banked cardrooms. Just want to, again, make sure that I understand the scope of the materials that you would like us to pull together. If you could just verify or give us a direction for us. We thought it might be social media print and commercial marketing materials.

Alicia Levy: That is also something that I don't know that we need answered. I don't know how they market themselves really change the discussion much personally. But I think the point and initially with the commercial stimulant thing, but I don't know that that helps too much, kind of more the law rather than looking at how the marketing is happening.

Julia Patterson: I agree.

Bud Sizemore: Yep.

Alicia Levy: Commissioner Lawson?

Sarah Lawson: I agree.

Tina Griffin: Thank you. Staff will not proceed any further with #7 then either. Thank you. That's helpful. And then we will tack on drafting additional language for your consideration regarding problem gambling. We will collect and compile the number of house-banked cardrooms from 1997 to the present and include the rule summary information that was presented for final action when making the change to \$300 wager limits currently, then. Thank you. And then, did you want

to have discussion today about the laws and the rules related to your statutory authority for setting wager limits and commercial stimulant? Or is this something you are looking for discussion in the future?

Bud Sizemore: I'd like to hear from if there is any public comment [cross-talk] --

Alicia Levy: Yes.

Bud Sizemore: -- really before we [cross-talk] --

Julia Patterson: I mean, what's the benefit of [cross-talk] --

Bud Sizemore: -- if there is.

Julia Patterson: -- putting it off.

Alicia Levy: There isn't one.

Julia Patterson: There is no benefit in putting the discussion off, is there?

Alicia Levy: Thanks. Maybe we can hear from public comment and see how if that triggers anything or whatnot that we can discuss further. So with that being said, is there any public comment on the matter?

Victor Mena: Specifically, what is the question to the public on this?

Alicia Levy: Well, it's not necessarily a question, I guess, just public comment in general on raising the limits. And then if you have anything that you might add. I think that questions people have are surrounding the language of commercial stimulant and the RCW and the WAC. But I'm not directing you to [cross-talk] necessarily, just if you have an opinion or something.

Victor Mena: Yeah. I can make some comment.

Alicia Levy: Okay. Please, if you can come up to the --

Victor Mena: All right. Good morning, Chair, Commissioners, ex officios, staff. My name is Victor Mena. I am the President of Last Frontier and New Phoenix in La Center, Washington. I have been in the industry for quite a bit of time. I started in 2001, and I have gotten back into the industry just recently. I would like to speak to the rule as far as being in favor of seeing it passed. Obviously, I was one of the people that dropped this rule back in 2016. At that time, the reason for trying to

pass it then was foreseeing the expenses that were coming down the pipe with legislation through minimum wage, ACA, and other regulatory conversions in state. My purpose at that moment was to be in front of it to be pre-emptive.

Because, in 2016, we roughly had somewhere between 50 and 60 cardrooms. And that was down from a high of 102, roughly, in 2005. And what we were seeing as a trend where the cardroom industry was starting to deteriorate. And I think I even put it on the record on several meetings that I projected that by the time minimum wage took absolute hold and passed all the way through that we would be down to somewhere between 30 and 35 cardrooms. We are currently at 38, so we are not far from that number.

We just saw a 9.1% increase in minimum wage roughly in the State of Washington. And that is a prelude only to the next increase coming in September after CPI gets looked at. And the CPI number then is probably going to be somewhere in the neighborhood of 4.5% if we are lucky as trends are going. So with that, I can tell you right now that the average cardroom in the state is probably experiencing a range of anywhere from \$10,000 to \$30,000 of excess payroll just with this current increase, so we are speaking to \$10,000 to \$30,000 per month as an increase. So it is a situation where you are going to see an erosion of the industry as it moves forward. This Commission is also going to be staring at the fact that their revenues are in jeopardy and needing to be adjusted.

As a matter of fact, I believe you guys are speaking on raising the cap on these businesses. So it's the same problem that we are all experiencing, We are all in the same boat. We are seeing the impact of getting people to a livable wage. So with that, I definitely am in support of seeing it go to \$300 to \$500. It had been 2008 when it was discussed to go to \$300. It was passed in 2009. In 2009, I think the minimum wage is somewhere around \$9 an hour. You have some jurisdictions in the state where it's over \$19 an hour. So it's just a byproduct economics as to why the industry is asking for this.

Alicia Levy: Question, and then we'll [indistinct].

Julia Patterson: Just curious, other than this rule change request, what else has the industry done to deal with higher prices with the minimum wage?

Victor Mena: We have had to raise food prices. We have had to raise beverage prices. It's absolutely a certainty that in the last three years, we have probably seen a 30% increase in food and beverage prices, and we have had to make those increases. I can tell you that. It is extremely painful to see our food costs as an industry. It's somewhere between 40%, and in some places it's probably closer to 60% depending on the operators. So it is absolutely a burden that we have been trying to adjust.

Alicia Levy: Any other questions? Sarah Lawson? All right. Thank you very much. Appreciate that. Are there any additional public comments? You seeing nothing? Nothing online?

Barry Murray: [Raises hand].

Alicia Levy: Yep.

Barry Murray: Good morning, everybody.

Bud Sizemore: Good morning.

Barry Murray: Barry Murray representing Imperial Palace. And I just wanted to echo Victor's statements and also speak in favor of the raising of the limit. We are experiencing the food costs that he just outlined firsthand. I mean, it used to be you could hit 35% or thereabouts, and now you are 45%, and that's if you are kind of keeping your prices at a reasonable level. Everything is up. Beverage cost is up. Beer cost is up. Liquor cost is up. And the minimum wage is mind-boggling, to be quite honest, from an expense standpoint as we continue. So I'm certainly in favor of whatever we can do to try to mitigate some of that. And certainly the wage limits I think could be a factor, whether it's to \$500 or \$500 in addition to potentially \$1000, as well, for the three tables as outlined in one of the options. But I just wanted to express my support for it, we as a company. And appreciate everybody's time.

Alicia Levy: Thank you very much. Any additional public comments? Anyone else in here? Okay. Commissioners have anything further? So I guess that was discussion only. So I think [indistinct].

Tina Griffin: Did you want to have further conversation about the RCWs and the WACs then?

Alicia Levy: Yes.

Tina Griffin: And would you like to do that? Would you like staff to walk through that a little bit today?

Alicia Levy: Yes.

Tina Griffin: Okay. Okay. So, RCW 9.46.010 sets out the legislative declaration. I don't know that it has any. Excuse me. I don't know that I want to talk about that. Commercial Stimulant is defined in RCW 9.46.0217. It means any activity as operated as a commercial stimulant for the purposes of this chapter only when it is an activity operated in connection with the established business or within established business, with the purpose of increasing the volume of sales of food or drink for

consumption on the business premises. The Commission may by rule establish guidelines and criteria for applying this definition to its applicants and licensees for gambling activities authorized in this chapter as commercial stimulants.

RCW 9.46.070(2) authorizes the Commission to issue licenses for a period not to exceed one year to any person, association, or organization. operating a business primarily engaged in the selling of items of food or drink for consumption on the premises, approved by the Commission, meeting the requirements of this chapter and any rules and regulations adopted pursuant thereto, permitting said person, association, or organizations to utilize punchboards, pull-tabs, and to conduct social card games as a commercial stimulant in accordance with the provisions of this chapter. Any rules and regulations adopted pursuant thereto, and to revoke and suspend said licenses for violations in the provisions of this chapter any new rules and regulations pursuant thereto. So focusing on the commercial stimulant aspect first, and then we can talk about your authority to set wagers second.

From there, you go into WAC 230.03.175. So both the definition of commercial stimulant and the RCW and in the powers and duties statute in RCW 9.46.070(2). So to talk both about established businesses and primary and the definition of primarily engaged in the selling of food or drink for consumption on premises. So WAC 230.03.175 was approved by the Commissioners. It was filed March 22, 2006. It went into effect on January 1, 2008. There was another change to it on October 22, 2007. Again, it went into effect on January 1, 2008. There have been no changes to this rule since 2007. So, it says that businesses must provide evidence for us to determine their qualifications as a commercial stimulant, as required by RCW 9.46.0217, which is the definition of commercial stimulant.

That evidence includes, but is not limited to, (1) proof of an established business as used in RCW 9.46.0217. Established business means any business that has been open to the public for sales of food or drink for on-premises eating and drinking for 90 days or more, or passes an inspection by us is ready to conduct food or drink sales and gives us a proposed operating plan, which includes hours of operation, estimated gross sales from each separate activity the business will conduct on the business premises, including, but not limited to gross sales from food or drinks sold for on-premises eating or drinking and gross sales from food or drink sold to-go and gross sales from all other business activities. So, that is how the Commissioners have chosen by rule to define established business, and it all links back to the definition of commercial stimulant.

And then (2) goes on to state and addresses the primarily engaged-in section. So (2) says proof that it is primarily engaged in the selling of food or drink for consumption on premises as used in 9.46 [audio cuts out], the phrase primarily engaged in the selling of food or drink for consumption on premises, means that before receiving a gambling license, the business has total gross sales of food or drink for on-premise consumption [audio cuts out] [0:37:46 - 0:38:04] receiving the

gambling license. The business has total gross sales of food or drink for on-premise consumption equal to or greater than the combined sales of all other activities which occur on the business premises. So that is how, again, the Commissioners in 2007 by rulemaking chose to define the quoted phrase from RCW 9.46.070(2). Let me get the clarification.

Julia Patterson: So I don't have that in front of me.

Alicia Levy: It's this part primarily engaged in.

Julia Patterson: Where is the language about prior?

Alicia Levy: It means that before receiving a gambling license, the business has a total gross sale of food or drink.

Julia Patterson: So did the Commission at the time talk about what happens after they receive a gambling license? It was just relating to before they receive a gambling license that they have to. Yeah.

Alicia Levy: That's all I found. It's before. I don't know [cross-talk] --

Julia Patterson: Okay.

Tina Griffin: And I should state for those people tuning in or participating in the meeting, these are in reference to questions 3 and 8, and they would be the attachments A through J.

Julia Patterson: So just questions. And I apologize. I know that you are way ahead of me on this probably, Madam Chair. So the Gambling Commission with regard to this question appears to have been operating under the premise that the word primarily as it relates to food and beverage is prior to these organizations receiving a gambling license. So just looking at the WAC, it is in quotes, the phrase "primarily engaged in the selling of food or drink for consumption on premises." And it states proof of that as used in RCW 9.46.070 means that before receiving a gambling license, the business has total gross sales or drink, etc. That phrase that is used in RCW 9.46.070(2).

Julia Patterson: I'm trying to understand. Okay.

Bud Sizemore: Okay?

Julia Patterson: Well, no, it's not. I mean, it's complicated. Well, it's just complicated. I mean, that's pretty clear what the Commission came up with. What year was that again?

Alicia Levy: 2009?

Bud Sizemore: Seven.

Tina Griffin: It was filed in 2007, and it went into effect on 1/1/2008.

Julia Patterson: And when were the limits for cardrooms, established at \$300? Was it after that time?

Tina Griffin: I believe it was before that time.

Alicia Levy: Early 2009. The current limitations of \$300 were placed in 2009.

Tina Griffin: Oh, after. Thank you.

Julia Patterson: And did we challenge that \$300 limit based on this. Was that challenged in this? I mean, was that discussed? Or was that concern raised? Do you know if the Gambling Commission at that time raised concerns about the word primarily prior to increasing the limit to \$300 at that time? Do you know?

Tina Griffin: I do not know. Vice Chair, that would be why I'm going to need to bring the rule summary for final action for that \$300 that you had asked for. So that will have to be included in your next packet.

Julia Patterson: Thank you.

Bud Sizemore: May I?

Alicia Levy: Yeah.

Bud Sizemore: So not sure that this can be answered today, or if it's necessary to be answered today, but more somewhat of a legal question. I mean, this plain reading seems like there is this threshold at the beginning of operation, and then maybe it's kind of silent about the test as ongoing. So I guess what I'm kind of curious about is whether -- and this could just be how law works. And I'll use Victor. Does Frontier have a gambling license that was issued whenever they started are under the new ownership, that license, and so that license as long as its renewed, is that a license? Or is there a 2019 license? Is there a 2020 license? Is there a 2021 license? So at renewal -- and I mean it doesn't seem like we have been doing this -- but at renewal, are we supposed to apply this test?

So I'm asking it for us to have that to contemplate down the road. And I'm going to bet that it's probably either [indistinct] law, or there probably are conflicting outcomes on that. But that's where I am. Another thing I just would like to have some clarity. And if it's just unclear and it can mean both, I would like to know that as well.

Alicia Levy: Commissioner Lawson, do you have any comments?

Sarah Lawson: So yeah. I had the same question along the same lines as Commissioner Sizemore. Is this a one-time showing that they are primarily engaged? Or do they have to sort of annually recertify that they are primarily engaged in the business of food and drink? And then the other question that I have, I don't think that I saw it in the materials. Do we have any of the records from the rulemaking of WAC 230-03-175 regarding the discussion or the public comment that was received at the time that rulemaking was done? Again, I didn't see it in the materials, so I don't know if I'm just missing it or if that can be provided to us for the next meeting.

Tina Griffin: So you are seeking the public comment received and/or made in the development of rule 230-03-175.

Sarah Lawson: Or the discussion that was held at the Gambling Commission Meeting amongst the Commissioners and other people there about that rulemaking. Sort of like how we have the transcript from our August meeting when we first discussed this petition.

Tina Griffin: Okay.

Victor Mena: Can I make some comment on that?

Alicia Levy: Yeah. Please do.

Victor Mena: Victor Mena, again, commenting on this discussion. It is a confusing WAC, and it is a confusing RCW as far as the intent. But I believe what it is trying to say is by primarily meaning that food and beverage is the primary source of the business that is being licensed. In other words, it's not going to be selling cannabis. It's not going to be selling tobacco. It's not going to be selling clothing. It is a food and beverage primary business, meaning that food and beverage sales are its main driving force before the gambling license checks in. Now, that's my interpretation of that. I'm sure that we can have the AG weigh in, but that is the intent of what that WAC is. Now, as far as when that was rewritten, that is coming real close to rule simplification. And some of that rule simplification, I'm not sure if all of it went through public comment. Tina, did it?

Tina Griffin: Well, it would have had to.

Victor Mena: It would have had to.

Tina Griffin: It should have.

Victor Mena: It should have been at least the mentioning or the rewrite. Right? But it's very possible that the whole packet got re-simplified as language, and you as Commissioners went through every single WAC. Okay? Just in case you are finding difficulty in finding it. Okay?

Alicia Levy: Thank you very much, Victor. Are there any other comments from anyone? I personally feel pretty comfortable that it means before the license was ever issued, and that's kind of the end of it. But I'll be interested to hear what we hear from others from some of the questions that were not answered or asked. Director Griffin.

Tina Griffin: So unless there is no further discussion on that, we can go through the RCW. And I believe there are just RCW citations regarding your ability to set wager limits. Also in your packet of materials, again in reference in response to questions 3 and 8, with attachments for that response A through H. So, the definition of social card game RCW 9.46.0282 toward the end states that the card game must be played in accordance with the rules adopted by the Commission under RCW 9.46.070, which shall include but not be limited to rules for the collection of fees, limitations of wagers, and management of player funds. The number of tables authorized shall be set by the Commission and shall not exceed 15.

So when you go then to RCW 9.46.070(11), this is where the legislature has outlined your powers and duties. Number 11 states that the Commission shall have the following powers and duties to regulate and establish the type and scope of and manner of conducting the gambling activities authorized by this chapter, including but not limited to the extent of wager, money, or other thing of value which may be wagered or contributed or won by a player in any such activities. So those are the RCWs that grant you the power and duties to initiate rulemaking -- well, actually to regulate and establish wagering amounts.

Alicia Levy: What RCW was that again?

Tina Griffin: 9.46.070(11). And it's also in the definition of social card game RCW 9.46.0282. And then obviously we have various rules that outline the wager limits throughout WAC 230.

Alicia Levy: Questions?

Julia Patterson: It's pretty clear.

Bud Sizemore: Good right now for information.

Alicia Levy: All right. Commissioner Lawson?

Sarah Lawson: I don't have any questions.

Alicia Levy: Okay. Some very important information that you're giving us, Director Griffin, right now.

Tina Griffin: [Indistinct].

Bud Sizemore: Imagine that.

Tina Griffin: I know. Too many papers. So, I believe that is all it was. So we will bring this back. So the earliest you could proceed forward with final action would be at the March meeting. We intend to bring this up for discussion only, and maybe we just put this on the Agenda for possible action moving forward. And then at that time, should you choose to take final action, you can. We will have the additional language for these other requests that may. We'll also put a copy of the 101 filing because we'll have to take a look at that, depending on if you do decide to add language to this rule or any topic. It may be outside of the scope of the 101 filing, and so we may have to either initiate a separate rulemaking or [cross-talk] potentially go back and -- which? Refile the 101?

Suzanne Becker: I would likely just refile the 101 or file a supplemental 101. There are a few ways we can do this.

Tina Griffin: Okay.

Suzanne Becker: But yes, filing an additional 101 [audio cuts out].

Tina Griffin: So we'll just put it on the Agenda moving forward as discussion and possible action, and that way you have the flexibility moving forward in deciding how you would like to proceed. And we have not done stakeholdering yet, which will occur on Monday and then possibly again on February 27th. And with that, that is all I have. Thank you.

Alicia Levy: All right. So I think that's it on that. We'll wait to get some questions answered and then come back to this in March unless anyone thought of some last minute.

Bud Sizemore: I guess I have one more comment.

Alicia Levy: All right.

Bud Sizemore: Or maybe I should limit myself. [Cross-talk] --

Alicia Levy: You're limited now.

Bud Sizemore: [Cross-talk] I have a comment. Yeah, I mean, depending on some of the answers around 230-03-175 and what license means, I'm afraid that depending on how that all comes back, we may have to, or we may need to initiate some rulemaking on that. I mean, just figure out what our role is in that. But the way it's written, if, in fact, it means that we just do this test at the onset, I mean, I think that creates some policy questions that we may or may not need to address because, ultimately, it looks like you could have a robust restaurant bar, introduce gaming, and then essentially shut down the bar/restaurant if you wanted because this only has this to apply the test at the onset, which I don't think is what is intended. But if it is questionable, then we probably ought to try to answer it.

And if we decide we want to go forward with higher wager limits, we might need to change this to take away the question down the road of whether that wager limit for future commissions how much they should care about this as they are debating wager limits in the future. Just some thoughts.

Alicia Levy: Okay. Okay.

Bud Sizemore: It's just [cross-talk] --

Public commenter: There is a WAC that stipulates we must be [cross-talk] --

Tina Griffin: So keep in mind, if there is public comment, we need to have it recorded. Please. Thank you.

Alicia Levy: Okay.

Bud Sizemore: Not [cross-talk].

Tina Griffin: Are you still taking public comment?

Alicia Levy: I mean, I think we'll just let the staff get back to us with the answers, I think, at this time. Yeah, I'm sure that will come up.

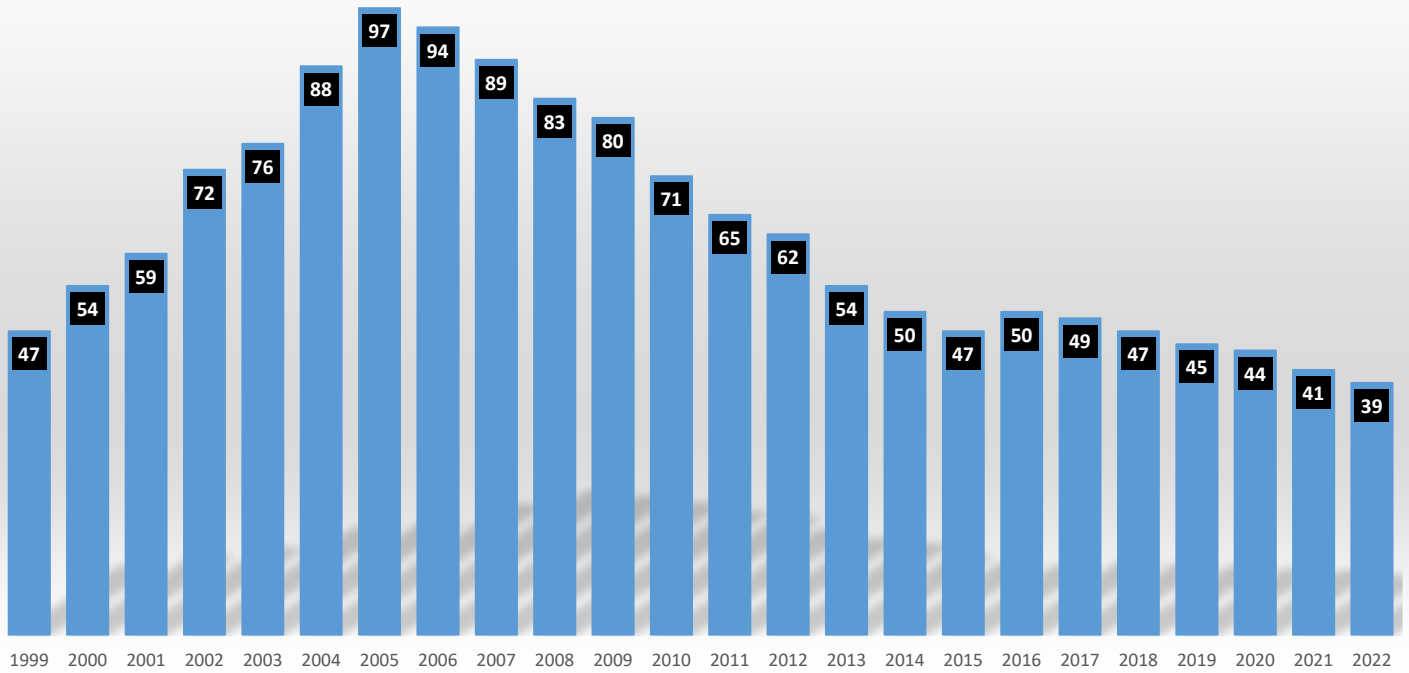
Tina Griffin: A reminder that public comment can always be submitted through email [cross-talk]

Alicia Levy: Oh yeah, email.

Tina Griffin: -- on our website because rulemaking continues to be open on this topic. Thank you.

Alicia Levy: Yes. Please feel free to send an email. Okay. So now I think we will move on to Tab 3...

HOUSE-BANKED CARD ROOMS 1999 TO 2022



- 1997 RCW 9.46.0232 authorized house-banked card games.
- 1998 to May 2000 Enhanced card room test program
- June 2000 Wager limits for house-banked card games \$25 (initial) and \$100 (experienced)
- 2003 Wager limits increased to \$100
- 2004 Wager limits increased to \$200 for limited tables
- 2006 Wager limits increased to \$200
- 2009 Wager limits to \$300

McLean, Lisa (GMB)

From: no-reply@wsgc.wa.gov on behalf of Washington State Gambling Commission via Washington State Gambling Commission <no-reply@wsgc.wa.gov>
Sent: Friday, February 17, 2023 11:25 AM
To: Rules Coordinator (GMB)
Subject: Request for Public Comment Submission from wsgc.wa.gov

External Email

Submitted on Friday, February 17, 2023 - 11:25am Submitted by anonymous user: 24.234.65.169 Submitted values are:

Select a Topic: Petition for Rule Change: Wagering limits for house-banked card games

Name: Kris O Murray

Organization:

Comments: As a long-time player and resident of Washington, raising the caps would be much appreciated and look forward to the commission's work on the matter.

The results of this submission may be viewed at:

<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.wsgc.wa.gov%2Fnode%2F19%2Fsubmission%2F3839&data=05%7C01%7Crules.coordinator%40wsgc.wa.gov%7C7383f06b3da0409686a908db111cb65b%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C638122587245673682%7CUnknown%7CTWFpbGZsb3d8eyJWljojMC4wLjAwMDAiLCJQJjoiV2luMzliLCJBTiI6I1haWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=rXPRg9FViKfJ0H5LYA4cSoYW984JxBIt0J4cd4V1G14%3D&reserved=0>



K&L GATES

Michael D. McKay
Partner
Mike.McKay@klgates.com

T +1 206 370 7613
F +1 206 370 6036

February 24, 2023

Via Email and US Mail

Washington State Gambling Commission
P.O. Box 42400
Olympia, WA 98504-2400

Re: *Petition for Rule Change: WAC 230-15-140*

Dear Commissioners:

We write on behalf of Maverick Washington LLC concerning the proposed rule change to WAC 230-15-140: Wager limits for house-banked card games currently before the Washington State Gambling Commission (“Commission”). In particular, we write with respect to the Commission’s legal authority to increase wager limits for house-banked card games from \$300 to \$500 pursuant to the Gambling Act of 1973, RCW 9.46 *et seq.* The Commission has the authority to and should amend WAC-15-140 to account for the change in economic conditions since the wager limit was last increased in 2008.

House-banked card games are authorized under the Act.

Card games are authorized under the Act subject to regulation by the Commission:

The public policy of the state of Washington on gambling is to keep the criminal element out of gambling and to promote the social welfare of the people by limiting the nature and scope of gambling activities and by strict regulation and control . . .
. ***The legislature further declares that the conducting of . . . card games and***

other social pastimes, when conducted pursuant to the provisions of this chapter and any rules and regulations adopted pursuant thereto, are hereby authorized All factors incident to the activities authorized in this chapter shall be closely controlled, and the provisions of this chapter shall be liberally construed to achieve such end.

RCW 9.46.010 (emphasis added). In fact, card rooms or card games have been authorized under the Act since 1974. See Washington Laws, 1974 1st Ex. Sess., Ch. 218 § 1 (authorizing “card games . . . when conducted pursuant to the provisions of this chapter and any rules and regulations adopted pursuant thereto . . .”). House-banked card games are also expressly authorized under the Act, subject to wager limitations set by the Commission:

"Social card game" as used in this chapter means a card game that constitutes gambling and is authorized by the commission under RCW 9.46.070. **Authorized card games may include a house-banked** or a player-funded banked card game The card game must be played in accordance with the **rules adopted by the commission under RCW 9.46.070, which shall include** but not be limited to rules for the collection of fees, **limitation of wagers**, and management of player funds.

RCW 9.46.0282 (emphasis added). The Commission has the authority to promulgate rules setting wager limits pursuant to RCW 9.46.070 as follows:

To regulate and establish the type and scope of and manner of conducting the gambling activities authorized by this chapter, including but not limited to, **the extent of wager, money, or other thing of value which may be wagered or contributed or won by a player in any such activities;**

RCW 9.46.070(11). It is under this statutory authority that the Commission promulgated WAC 230-15-140, which provides that “[a] single wager must not exceed three hundred dollars” for house-banked card games. The Commission can and should amend this regulation and the wager limitation subject to the same statutory authority.

Card rooms are authorized commercial stimulant operators under the Act.

The legislature authorized card rooms such as the ones operated by Maverick through the creation of a class of “commercial stimulant” operators. RCW 9.46.0325 (card games may be conducted by “any person, association or organization operating an established business primarily engaged in the selling of food or drink for consumption . . . as a commercial stimulant to such business . . .”). A commercial stimulant is defined as “an activity operated in connection with an established business, with the purpose of increasing the volume of sales of food or drink for consumption on that business premises.” RCW 9.46.0217. Significantly, the legislature amended the definition of commercial stimulant in 1994 and re-defined it more broadly:

"Commercial stimulant," as used in this chapter, means an activity is operated as a commercial stimulant, for the purposes of this chapter, only when it is an (~~incidental~~) activity operated in connection with(~~, and incidental to,~~) an established business, with the (~~primary~~) purpose of increasing the volume of sales of food or drink for consumption on that business premises

House Bill 2382, Sec 1 (1994). When amending this definition, the legislature emphasized that the prior definition "provides that an activity is operated as a commercial stimulant only when it is an incidental activity" and that needed to be changed. HB 2382, House Bill Report, House Committee on Commerce & Labor. It needed to be changed so that there was a clear understanding that a commercial stimulant, in this case card games, need no longer be an incidental activity or primarily there to increase food and beverage sales. Testimony was offered in support of this change because "[t]he commercial stimulant definition is very important." Washington has 2,300 commercial stimulant operators." *Id.* Thus, it was clearly the intent of the legislature to include card rooms, such as those operated by Maverick, within the scope of the Act, regardless of whether gambling is merely incidental to the sale of food and drink. Moreover, the Commission monitors compliance with the commercial stimulant requirement through the in-depth process set forth in WAC 230-03-175.

Finally, it is important to note that these changes in the law took place in 1994, well before the Commission's last wage increase in 2008. Thus, the Commission's decision in 2008, made under the same statutory construct that exists today, clearly gives the Commission authority to recognize the economic changes in these intervening 15 years and increasing the wage limit from \$300 to \$500.

The Commission should continue its practice of increasing wager limits to account for changes in economic conditions.

This is not the first time the Commission has considered increasing the wager limits for house-banked card games. In fact, the wager limit has been increased several times, the last time occurring in 2008 when the Commission amended WAC 230-15-140(1) through rulemaking and increased the wager limit by 50% from \$200 to \$300. See WSR 08-20-025. The amendment was approved and filed on September 19, 2008. *Id.* Applying a cumulative inflation rate of 39%, the \$300 wager limit from 2008 amounts to \$416.86 in 2023.¹ This inflation rate further fails to account for increases to the minimum wage, which under Washington law has increased by 84% since 2008 from \$8.55/hr to \$15.74.² The costs of food and drink, gaming equipment, and payroll have likewise substantially increased during this period.

It is furthermore entirely consistent with the legislative intent of the Act that wagering limits be updated to reflect inflation and the increased cost of economic conditions. In fact, testimony

¹ Calculated using <https://www.usinflationcalculator.com/>.

² See Washington Department of Labor & Industries, *History of Washington State's Minimum Wage*: <https://lni.wa.gov/workers-rights/wages/minimum-wage/history-of-washington-states-minimum-wage>.

was given on this subject when the legislature increased what card rooms can charge in 1994. This testimony noted that the increase was necessary “to keep up with inflation.” HB 2382, House Bill Report, House Committee on Commerce & Labor. The Commission is therefore acting squarely within its statutory and regulatory authority by once again adjusting the wager limit to account for the substantial increase in the costs of operating a commercial stimulus card room in 2023.

We are grateful for this opportunity to share with you our assessment. Should you have any questions or concerns, please do not hesitate to contact us.

Very truly yours,



Michael D. McKay

cc: Eric Persson ep@maverickgaming.com
Vicki Christophersen vicki@christopherseninc.com

Lohse, Jess (GMB)

From: no-reply@wsgc.wa.gov on behalf of WSGC Web <no.reply@wsgc.wa.gov>
Sent: Tuesday, July 12, 2022 11:47 AM
To: Rules Coordinator (GMB)
Subject: Request a Rule Change Submission from wsgc.wa.gov

External Email

Submitted on Tuesday, July 12, 2022 - 11:47am Submitted by anonymous user: 24.56.241.117 Submitted values are:

Petitioner's Name: Vicki Christophersen

Mailing Address: P.O. Box 3329

City: Kirkland

State: WA

Zip Code: 98083

Phone: 3604852026

Email: vicki@christopherseninc.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 230-15-140

I am requesting the following change:

Request changes to WAC 230-15-140 to update and reflect current economic conditions. Suggested changes for consideration include:

1. Amend requirements to allow a maximum bet at cardrooms of five hundred dollars (\$500)
2. Amend requirements to allow a designated high limit room consisting of a limited number of tables.
 - a. Tables could be limited in the following manner:
 - i. Cardrooms with 1-5 total tables – no more than 1 high limit table
 - ii. Cardrooms with 6-10 total tables – no more than 2 high limit tables
 - iii. Cardrooms with 11-15 total tables – no more than 3 high limit tables
3. Recommend that the single wager at a high limit table must not exceed one thousand dollars (\$1000).
4. Suggested definitions:
 - a. "High Limit Room" means a clearly identified area of the Gaming Facility separated by a permanent, physical barrier or a separate room in the Gaming Facility.
 - b. "Permanent, physical barrier" includes a partial wall, fence or similar separation. Stanchions or similar movable barriers are not considered a permanent, physical barrier.
5. Suggested requirements:
 - a. Access to the tables in a High Limit Room will be

subject to prescreening qualifications and screening process.

b. Require that no customers may participate in gaming in a High Limit Room if they are known to the Gaming Operation to have

a history of problem gambling or currently barred for self-exclusion, or known by the Gaming Operation as demonstrating

significant characteristics associated with problem gambling.

This change is needed because:

Wager limits need to be updated to reflect current economic conditions and customer demand. Wager limits for House banked card rooms have been set at three hundred dollars (\$300) since 2009. In the 13 years since the limit was established, operating costs have increased dramatically. Since 2009, Washington minimum wage has nearly doubled. Additionally, supply change issues and inflation have an impact on revenue. Once a significant driver of revenue and employment at our properties, our food & beverage business is not sustainable on a standalone basis in the current cost inflation environment without the support of stronger gaming revenues.

Tribal compacts have been steadily being amended to increase the wager limits at their properties. This proposal is modeled after those changes and reflects the same protections. Although a small percentage of the guests that visit cardrooms (less than 3%) would take advantage of the increase, these customers are a critical component of financial stability.

The effect of this rule change will be: The impact of allowing higher wagers will allow cardrooms to operate on a more level playing field. This will allow for the preservation of family wage jobs and economic contributions to the communities we are a part of. Additionally, it will provide increased tax collection for our local jurisdictions.

The results of this submission may be viewed at:

<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwsgc.wa.gov%2Fnode%2F18%2Fsubmission%2F3434&data=05%7C01%7Crules.coordinator%40wsgc.wa.gov%7Ce7997907911b45dced108da6436f0d7%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C637932484382140670%7CUnknown%7CTWFpbGZsb3d8eyJWlloiMC4wLjA%7CwMDAiLCJQljoiv2luMzliLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=kVwaszgnEUHfsvon4rID3Y7D%2FhtMa2wxMZVyL%2BMvqB4%3D&reserved=0>

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.]

OPTION B

AMENDATORY SECTION (Amending WSR 21-11-057, filed 5/14/21, effective 6/14/21)

- WAC 230-15-140 Wagering limits for house-banked card games.** (1)
A single wager must not exceed (~~three hundred dollars~~) \$500.
- (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.

OPTION A

AMENDATORY SECTION (Amending WSR 21-11-057, filed 5/14/21, effective 6/14/21)

WAC 230-15-140 Wagering limits for house-banked card games. (1)
A single wager must not exceed (~~three hundred dollars~~) \$300. Provided that licensees may allow a single wager up to \$500 under the following conditions:

(a) All wagering limits greater than \$300 must be approved by us and included in the internal controls; and

(b) Only three house-banked tables may offer wagering limits greater than \$300; and

(c) The licensee must establish a designated space on the licensed premises for house-banked tables with wagering limits greater than \$300. The designated space must:

(i) Be separated from the main gaming space by a permanent structure or physical barrier; and

(ii) Function like a separate gaming pit from the main gaming space; and

(iii) Have a floor supervisor present at all times tables are open for play; and

(iv) Have a gambling disorder informational sign conspicuously posted which includes a toll-free hotline number for individuals with a gambling problem or gambling disorder; and

(d) Verify players are not on the self-exclusion list prior to allowing wagers greater than \$300.

(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.

OPTION C

AMENDATORY SECTION (Amending WSR 21-11-057, filed 5/14/21, effective 6/14/21)

- WAC 230-15-140 Wagering limits for house-banked card games.** (1)
A single wager must not exceed (~~three hundred dollars~~) \$400.
- (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.

OPTION D

AMENDATORY SECTION (Amending WSR 21-11-057, filed 5/14/21, effective 6/14/21)

WAC 230-15-140 Wagering limits for house-banked card games. (1)
A single wager must not exceed (~~three hundred dollars~~) \$500. Provided that licensees may allow a single wager greater than \$500 but not to exceed \$1,000 under the following conditions:

(a) All wagering limits greater than \$500 must be approved by us and included in the internal controls; and

(b) Only three house-banked tables may offer wagering limits greater than \$500; and

(c) The licensee must establish a designated space on the licensed premises for house-banked tables with wagering limits greater than \$500. The designated space must:

(i) Be separated from the main gaming space by a permanent structure or physical barrier; and

(ii) Function like a separate gaming pit from the main gaming space; and

(iii) Have a floor supervisor present at all times tables are open for play; and

(iv) Have a gambling disorder informational sign conspicuously posted which includes a toll-free hotline number for individuals with a gambling problem or gambling disorder; and

(d) Verify players are not on the self-exclusion list prior to allowing wagers greater than \$500.

(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.

Madam Chair:

We will next move to petition for rule change with ~~Just Los~~ [Jess Lohse] again, and I believe Vicky ~~Christofferson~~ [Christopherson] from Maverick Gaming and Eric Peterson from Maverick Gaming are here as well.

Commissioner Sizemore:

Eric Persson.

Madam Chair:

Oh, Persson. I'm sorry. I pronounced Eric's last name incorrectly. ~~Just~~ [Jess], I'll hand it over to you.

~~Just~~ [Jess]:

Thank you, Chair. Again for the record. ~~Just Los~~ [Jess Lohse], acting rules coordinator. If you please turn to tab five in your commission meeting packet. Vicky ~~Christofferson~~ [Christopherson], she's representing Maverick Gaming in Kirkland, Washington and is proposing to amend WAC 230-15-140, which is our rule on wagering limits for house bank[ed] card games. And they are suggesting changes to increase the maximum single wagering limit from 300 to 500 for all house bank[ed] gaming tables. Provide that if the licensee has a high limit room, they may increase a single wagering limit to \$1,000 for a select number of high limit tables. They're also suggesting to add a definition of a high limit room, and they provided a suggested definition of a clearly identified area of the gaming facility separated by a permanent physical barrier or a separate room in the gaming facility. They're also proposing to restrict access to high limit tables in the high limit room to only pre-screen[ed] players and players who are not self-excluded from gambling or exhibit problem gambling behaviors.

The petitioner feels this change is needed for several reasons. One to reflect the current economic conditions and customer demand. They also note that wager[ing] limits have not been increased since 2009 and operating costs have increased significantly since then. They noted that the minimum wage has nearly doubled since 2009 and supply chain issues and inflation has had a negative impact on card room revenue. And to keep the wagering limits for card rooms fair and consistent with competitors, specifically tribal casinos, they note that tribal compacts have been steadily amended to increase wagering limits at their casinos. The petitioner feels that the effectiveness [of this] rule change will allow house bank[ed] card rooms to compete on a more level playing field with tribal casinos. The petitioner also believes a rule change will allow for the preservation of family wage jobs and economic contributions to the communities they're a part of. Lastly, the petitioner feels that the rule change will provide increased tax collection for the local jurisdictions they operate house bank[ed] card rooms in.

A little bit of historical background on this rule and related to just the number of tables and house bank[ed] card rooms. To start, RCW 9.46.0282 determines how many authorized tables a house bank[ed] card room can have, which is limited to 15. The petitioner's [is] not looking to add more than 15 tables, rather as they noted in their petition, they're looking at increasing the wagering limits from 300 to 500 with the ability to go up to 1,000 for a select number of tables. House bank[ed] card rooms opened up in 1997, where wagering limits for games were set at \$25. In 2000, wagering limits increased to 100, and [in] 2004 to \$200, and lastly, in 2009, the current limit of \$300. In 2016, the commission received a petition from the Recreational Gaming Association, requesting the commission to increase wagering limits to \$500 that would match the limit of tribal gaming operations at the time.

The commission accepted the petition for further discussion, but the RGA eventually withdrew their request after hearing some commissioner concerns. In January 2022, earlier this year, the

commission received a petition from Tim Merrill with Maverick Gaming, requesting the commission to increase wagering limits from up to 500 with the ability to raise to 1,000 on 25% of the tables, but the petition was withdrawn by Tim Merrill prior to the commissioners taking any action. Staff feels that additional rule making will be needed to address policy concerns, new definitions, and possible new requirements. Under the APA, the commission must take action on the petition within 60 days of receiving it. Your options are to initiate rulemaking proceedings or deny the petition in writing. And I believe Ms. ~~Christofferson~~ [Christopherson] and Mr. Persson are here to give a presentation. I'll stay on the line if you have any questions. Thank you.

Madam Chair:

Great. Thank you, ~~Just~~ [Jess]. Is Ms. ~~Christofferson~~ [Christopherson] here or Mr. Persson? Do you see them as the list of attendees?

~~Speaker 20~~ [Julie Anderson/Director Griffin]:

They were on earlier.

~~Just~~ [Jess]:

I did see them earlier. They had informed me they were planning on being in person. I think Aaron Wong, he's one of their executives, he has his hand raised.

Madam Chair:

Okay. Yeah, I did see a hand raised. Is that Mr. Wong, you said, the name? You can go ahead.

Eric:

Hi. This is actually Eric Persson. I'm the owner of Maverick Gaming. Can you guys hear me?

Madam Chair:

Yes.

Eric:

Oh, thank you. Vicky's walking in. We were under the impression this was happening at 12:30. She's coming into the building right now, so I apologize for the delay we're causing. We just thought this for some reason was coming on the agenda in another hour. So sorry about that. We'll be right there.

Madam Chair:

Okay.

~~Commissioner~~ [Vice Chair] Patterson:

Can I ask a question?

Madam Chair:

Sure. Commissioner Patterson, you a question?

~~Commissioner~~ [Vice Chair] Patterson:

Thank you, Madam Chair. While we are waiting for them, **1** I wondered if staff could remind us of why the petition was withdrawn previously, what the commission's concerns were? We expressed concerns some time ago, I think in 2016, and then a similar petition was withdrawn. Can anyone remind me of what our concerns were at that time? And if not now, I just at some point would like to understand that.

~~Madam Chair~~ [Director Griffin]:

The rule[s] summary states that, for the 2016 petition, the RGA eventually withdrew the request after hearing commissioner concerns about increasing the wager limit and problem gambling.

~~Commissioner~~ [Vice Chair] Patterson:

~~Madam Chair~~ [Director Griffin]:

I'm sorry. I did not go back and read the transcripts from previous meetings.

~~Commissioner~~ [Vice Chair] Patterson:

Okay.

~~Madam Chair~~ [Director Griffin]:

I'm not able to answer that right now.

~~Commissioner~~ [Vice Chair] Patterson:

Maybe it was just generic like that.

~~Madam Chair~~ [Director Griffin]:

I would have to go back and read the transcripts. Sorry.

~~Commissioner~~ [Vice Chair] Patterson:

But then we went forward and raised the limits for the tribes and worked through that. I don't know how... What were our... Okay. Do you remember, Bud?

Commissioner Sizemore:

No.

~~Madam Chair~~ [Vice Chair Patterson]:

Okay.

Commissioner Sizemore:

Not specifically. I do have a question for the chair.

Madam Chair:

Yes?

Commissioner Sizemore:

I know what it's like to rush into a room and be expected to be on point. And that's usually pretty difficult and I see Vicky walking in. Could I suggest that maybe we table this topic and do... I'll put our staff on the spot and not necessarily a petitioner, but maybe we could do the next agenda item first and then come back to this.

Madam Chair:

That was my plan already.

Commissioner Sizemore:

Alrighty. I like it.

[Commissioners move to the Legislative Update at 1 hour and 11 minutes into recording.]

[Transcript resumes at 1 hour and 18 minutes and 14 seconds.]

So now we will go back to petition tab five, which was the petition for rule change from Ms. ~~Christofferson~~ [Christopherson] and Eric Persson from Maverick Gaming. This [Jess] already presented, but he's still available for questions, and we'll go ahead and allow Ms. ~~Christofferson~~ [Christopherson] to... # [do] you want to come to podium.

Vicky:

Absolutely. First of all, let me apologize. We had looked at the agenda and 12:30 was what we had seen, so that's what we were working off of. So my apologies, you guys are being very efficient today. Eric is on his way, I think probably five minutes out. I'll do my best to cover all the pieces. Actually, he might be here. Initially we were planning I would do the introduction and then he would jump in. We have a PowerPoint and what I don't remember... [so] We're good to go. Okay, great. First of all, my name is Vicky ~~Christofferson~~ [Christopherson]. I represent Maverick Gaming here in Washington state, and we have brought a petition forward for the commission to consider rule changing around wager limits for card rooms. I'm trying to see where the PowerPoint... Oh, sorry.

And I'll just say next slide when it's... Great. So I'm going to intro and then you can come up.

Eric:

Okay.

Vicky:

~~Here~~ [There] we go. We'll go to the next slide. I think most people know Maverick Gaming operates 19 card rooms here in the state of Washington. Proud member with Teamster workers in our facilities and an investment of 500 million into the state, committed to the success of the card room industry in Washington state and doing it in a responsible way to make sure that we keep our communities safe. Next slide. Just by comparison, most jurisdictions in this area, this part of the United States actually don't have limits on wagers. We're the only one with one. And to be clear, we are not asking for no wager limits, we're just asking for an update. Next slide.

This is the part I wanted to just briefly discuss and then invite Mr. Persson up to give the rest of the presentation. We wrote the petition specifically with the acknowledgement that it was the commission that will work on rulemaking. Should you choose to open rulemaking, we understand that

will be a robust stakeholder process, lots of discussion about what the appropriate wager limits would be, how to construct those. So what we've provided here is really an outline of the concepts that we'd like you to consider, should you decide to move forward including [opening] rule making. And that is, at what level should the wager limit be? Should there be a high limit area? We believe yes. We'd like to discuss that.

And then the definitions and how you make sure you put the appropriate restrictions and regulations around that. But again, want to state, we are not wedded to these words in particular. We've taken examples out of tribal compacts that have been amended in the last few years with some of these definitions feeling like that's probably a good place to start in looking at these regulations, but really hope today that we can convince you to open rule making so we can start that ~~sequel to~~ [stakeholder] process and bring everybody to the table to figure out the best way to move forward. So with that, I'll hand it over to Eric to walk through the rest of the slides and talk a little bit about why we're here with this request for you. Thank you. Next slide.

Eric:

I'm Eric Persson, the owner of Maverick Gaming. Thanks for your time. This slide just shows that the history of house bank[ed] card rooms in Washington, shows their progression of the minimum wage laws and also how the bet limits increased. [As] I think ~~it~~ was stated earlier that the last time the limits were increased was 2009. And I think that, with the inflation and everything, it's almost doubled since then. It's really hard for me to see the whole slides, I don't know about you guys. Kind of tough thing to admit, but that's really the purpose of this slide. So maybe we'll go to the next slide.

Speaker 11:

There we go.

Eric:

It's a little better. Yeah, we already hit that one. This slide basically just shows... We all know about the pandemic and we all know that it was tough on card rooms and pretty much everywhere else, but it really just speaks to the efforts of Maverick. We're partners with Teamsters 117, we didn't lay anybody off. We kept benefits on through the whole time, even though we were shut down, as everybody knows for some period of time. We're still recovering, frankly. Revenues are just now getting to a place where they were in 2019. But we've endured a lot. And at the same time card rooms are continuing to decline from, I think there's over 100 at one time and now there's actually 39 active card rooms. I know another one just shut down about a month ago. So really just shows you what's going on with the card rooms, what the pandemic did, and what we did to the pandemic, which I think is a little bit different than a lot of other places. And so with that, we'll go to the next slide.

Really, this shows you inflation. And I don't need to speak about a lot. I think everybody's talking about inflation, at least anytime I go on the news, it's hitting everybody and it's making everything harder. There's a lot of wage compression. We're paying more. Unemployment's actually got back to historical low again. We're having to pay more wages, which we happily do, but in relation to that, things that make gaming a little bit different than other commodities is, you can't change the rules and just take people's money faster[, right?]. And you can't force people to bet more. You can, but then at some point there's, "This isn't fun for me. This game doesn't make sense," and you choose not to play. So what happens is you have this commodity, which is blackjack or Baccarat and you have customers who are the consumers who dictate what they're comfortable spending.

And so unlike Tide or food or something else where people say, "Hey, I'm just going to charge more for a hamburger," you can't do that with gambling because if you do, you end up just losing the customer. And that's sort of the tough part we make, but we have this artificial limitation, which is the bet cap is... there are some consumers, not a lot, but there are some consumers who would prefer to gamble more than, say, \$300. And they can't because of the bet limits. And so what happens is, they're left with choices. One is to just bet \$300 with us or go to a travel [Tribal] facility where they can bet up to five or 10,000, even in their [inaudible 00:32:57 high-limit] rooms.

And that's something tough for us to compete [with]. And what it ends up meaning is we just lose high-end customers. And that's sort of what this is about, for that small segment of customers who like to bet more, but just can't. They have the ability to [, the] wherewithal, and so they end up just choosing a different consumer product, which is the tribal facilities where they're allowed to gamble at those limits. And so we can hit the next slide.

This slide is just the same thing. Look, COGS have gone up. It's no secret, everything costs more. And this is a big part of this ask, because I'm trying to figure out, "How do I protect these jobs? How do I help the card rooms thrive, my card rooms and the rest of the card groups [rooms] in the state?" I have a pretty big investment in the state, have a pretty big investment in card rooms, and we're trying to figure out how do we make it be vibrant. We [already] don't have sports betting. It already hurts our business on the weekends, but what can we do? And for us, requesting to raise the bet limits to 500 and [with, like,] maybe three tables at 1,000 was one of the things we could do.

~~We worked~~ [Work] with the WAC[, work] with the rules, ~~worked~~ with the commission and help us compete. And really at the end of the day, all we're trying to do is compete. And we're trying to compete in a marketplace that is saturated with competition. And the competitors sometimes have different rules and different tax structures and just different benefits. But allowing us to at least go to 500 and 1,000 in our high limit will at least give us a fighting chance. And that's what we're asking for. And this is part of the reason, everything costs more. You go back to 2009, nothing costs less and everything costs more. And obviously right now, we're in an exacerbated situation where inflation's obviously in the presence of mind to [of] everybody, but even previous to that labor was costing more, food was costing more. And at the same time, revenues are basically flat. And that's the challenge card rooms ~~have~~ [overall] on a macro level. So with that, we can hit the next slide.

This, again, just goes back to show you, over time we pay more in wages. It's sort of common sense and it's pretty obvious. In 2019, it was 12 as the minimum wage. And obviously in '22 it goes up to 14.49. That being said, some of our wages, depending on the job type, pay a lot more than that. It's no secret an average dealer in our facility, including tips making over 120,000 a year. So these are very good paying jobs and they're important jobs, I think, in this community. And at the same time, the bottom side, so support staff, cleaning, kitchen, where they're closer to the minimum wage, that piece is just going up. And it's one of the expenses we have to eat and we happily do, but it's also one of the ways we have to, on us, figure out how to create more revenue. And that's the reason we're here. So with that, we'll go to the next slide.

And this just hits it another way, showing the CPI, it shows hourly minimum wage. It shows going back all the way to 2008, what the maximum wager could be. It's going up one time, I think, from 200 to 300, but [it shows you] the minimum wage, shows you how everything's gone up ~~with~~ [but] the bet limits. And so I'm hoping today is the day that we get this into rules and we start to work towards it, because we have an overall macro economy that's really making the card room struggle right now. So with that ~~and~~ [we] go to the next slide.

This is wager limit comparison. And so these are just things I already covered a few minutes ago. Card rooms were [at] 200, they got to go to 300. And it shows you over time from 2008 to 2021. And

now it shows you as high as 5,000 ~~are~~ on approved compacts. And as we know, there's another compact that's approved to be 10,000, but yet the card rooms are still at 500. And that's where we have to compete for that small segment of customers who wants to bet more, but they can't. And so they're left with no choice, but to leave our facility and gamble at a ~~travel~~ [Tribal] facility. And that's the challenge for us and that's where we're hoping to remediate today. With that and go to the next slide.

Product offering. I think everybody knows that tribes have a much more complete gambling offering. Facilities aren't comparable. They're going to have hotel rooms. They're going to have slot machines. They're going to have tables. They're going to have sports betting. They're going to have many more restaurants, parking garage. Ours are more like a neighborhood [inaudible 00:37:19]. We're 10,000 square feet and we're 15 table games and bar revenue and food revenue is a significant portion of our revenue. It can even be 30% in some of our cases.

And so we already have limited offers, ~~which~~ we offer table games. We don't offer slots. We don't offer sports betting. We don't offer a lot of the other gambling products that are allowed in the state, but what we do have is tables. And so this place where we have to cross over and compete directly with other competitors, we're forced to compete with people who have much larger robust offering in gaming than we do, and also much higher limit, which doesn't allow us to compete with the [same ...] ~~segment that~~ you know it's pretty lucrative and it's important to both the tribes and important to us. And of course important to the consumer because they're not allowed to choose us if they want to bet more than \$300. With that, you can go to the next slide.

This just shows you, how much are we really talking about? Basically 97 and half percent of our customers, their average bet's going to be under \$300. In fact, it's going to be significantly under \$300, but it represents 80% of our overall revenue. That next two and a half percent of the customers who bet \$300, they represent 20% of our revenue. And this shows you the impact of the top segment. And it shows you that what that bet constraint does, because if we're able to generate 20% of our revenues with two and a half percent of our consumers, knowing that we already don't get a lot of those consumers who want to bet more than 300, it can be very important and meaningful to the jobs, to the card rooms in the state, to all the support staff who work in Maverick Gaming, and to our companies and to our competitors ~~and~~ [in] the card rooms as well. We should have a chance to compete for that consumer that the tribes are having a monopoly room. And with that, go to the next slide.

And this just shows you the last thing. It's a very small [inaudible 00:39:23] customers who bet more than 300, it's two and a half percent, and it shows you the meaningfulness of those customers. But it also shows you when you think[ing] about one of the responsible things to talk about, and this is responsible gaming. And sometimes there's a misperception that, if people bet more, they're more likely to be problem gamblers. It's not really true at all. If you look to the data and you look at the customers and you look for people who self-exclude, the average self-exclusion person is going to bet less than \$75. What they have is other challenges in their life. They've lost their job, or maybe they'd have an addiction problem or whatever it is, but it's not directly correlated to the \$300 bet or to the wage[r] at all.

In fact, most of the customers who bet more are not the people [who] end up excluding themselves, they just have more discretionary income. And so it's incumbent on, I think, all of us. The gambling commission all the way down to Maverick, and we're a cheerleader, we're the biggest supporter of responsible gaming in the state of Washington. I think that's no secret and we're all about it. And so what we propose, we think it's a pretty modest request. We don't offer credit like the tribes do, so these are cash paying customers, I think which also helps remediate problem gaming issues because people don't get extended on credit in which case they can't get out. But it's very important to

us that you [sorta] size the consumer we're talking about. We think it'll probably add three or 4% to our consumer database, but it'll be very meaningful to us. So with that, you can go to the next slide.

This shows you, in detail, what I was just talking about. We have seven players with a bet of \$300 or greater. We have 104 people that was under. And so you got basically 99.8% of the people bet under 300. But if you were to break this down even further, I think it's 80% bet less than \$75. And so if you take a look at the total overall active database, we're not talking about an extra two or 300 customers per property. We're talking about 10, 20 players who can potentially come in with the ability to bet more. But those consumers sold 80/20 business in rule, could be very meaningful to us we were able to compete and get them to choose our property versus our competitor's properties. So with that, you can go to the next slide.

And this is responsible gambling. Look, we have linked all of our card rooms. If you self-excluded one of our properties, you self-excluded all. The gaming commission is very close, I think, to enacting an overall program where all the card rooms will be linked. So if you exclude yourself in one card room, you've excluded from all card rooms, whether the[y're are our] companies or not, which is great. Hopefully the next step is the tribes will plug into that and if you exclude yourself in the ~~travel~~ [Tribal] facility, you'll exclude yourself in card rooms[, which is]#s not currently the case. I'm not sure why not, because I don't think that if someone has a problem gambling issue at any casino, another casino should probably want them.

We're the biggest partner to Evergreen Council on problem gambling. And we have extensive training to identify problem gamblers and to get to them before gambling becomes a serious issue for them and their family. And that's what this slide's about. Next slide.

And this quantifies what we think will happen if, in fact, we were able to get the wager limits we're requesting today. We think that there'll be a lift of maybe on a macro level, across our 19 properties, about \$4 million, which would be result in another 400 in tax. If you take a look at the total of this, it ends up being around \$6.6 million after about a predicted seven and a half percent growth in high end play, resulting in about 660,000 in taxes. So if you take a look at 19 properties, 6.6 million, you're looking around 330,000 property, which is very meaningful to a card room. When a card room makes on average between, I'd say, 702 million of total EBITDA, it could be substantial for at least smaller card rooms, not just myself. With that, you can go to the next slide. I think that's it, I guess.

Vicky:

I'll just close out and then if there are questions... Again, just to reiterate, the rule making process, we're not asking you to take a vote on a particular wager limit or a structure for that today. We are asking that the commission embark on a rule making process to have that discussion and include everyone in that to arrive at the right change in wage[r] limits. The other thing I would add that we have left out of our slide and we want to put it back in there is, we haven't talked about the increase to the problem gambling account at the state level.

As you know, we pay an extra B&O tax that goes into the problem gambling account. Obviously an increased wage[r] limit will increase revenue- into that account. And we know that there is potentially still a shortfall for problem gambling in the state. And that's something that Maverick is very committed to working with the commission and the legislature to make sure that account is fully funded, and we hope to be a partner in that work. I had one last thing, but- it's flown out of my mind. Anyway, we're happy to answer any questions and thank you for consideration today.

Madam Chair:

Great. Commission Patterson, do you have a comment about that list?

~~Commissioner~~ [Vice Chair] Patterson:

I have a comment and a question. The problem gambling task force, I'm guessing that within the next month or so, will be able to provide the public with data that will indicate that the amount that's currently being invested in problem gambling is not adequate to meet the need in order to treat people with their addictions or to prevent. We can stand behind that with data that we have collected from a prevalence study that was done, and that information is going to be presented probably within a month or so. I might be wrong about this, so don't quote me, but it's possible that it might indicate that we may need to actually come close to doubling the amount, which is currently being invested in problem gambling. And I wanted to let you know that I'm hoping that the state legislature will work with you, and I'm hoping that you will be cooperative and open to that proposal that that increase occur. You don't have to say anything, but I just want to say that publicly.

Vicky:

I would like to say something publicly, because I know I speak for Eric and everybody at Maverick, that that is a top priority. Eric said to me once when I first took this client on, "I don't want a problem gambler in my seat [casino]. It's not the customer I want. I want somebody who's going to come enjoy a couple hours in the card room and have a good time with their friends." So it is 100% a commitment of ours and that's why Maverick was the first to institute a systemwide self-exclusion program. And we absolutely stand ready to work with the commission and the legislature to make sure the funding is adequate and play our part in that, for sure.

~~Commissioner~~ [Vice Chair] Patterson:

Appreciate that. And again, I just want to make sure I heard you correctly. You're saying that if someone excludes at one of your casinos, that they are excluded across the state of Washington?

Vicky:

For all of our casinos, at this point. And there was legislation a few years ago that would've required the statewide self-exclusion, and we've supported that since day one. And I know there's continuing work on that, and we hope that we're very close to a systemwide self-exclusion that includes ~~travel~~ [Tribal] properties and private card rooms so that we cannot have people shopping who have a problem.

~~Commissioner~~ [Vice Chair] Patterson:

Which is what they do.

Vicky:

Yes.

~~Commissioner~~ [Vice Chair] Patterson:

All right. Thank you, Madam Chair.

Madam Chair:

Great. Thank you for the presentation. I just want to say for me, personally, I appreciate the fact that you came in and aren't stuck to the numbers that you put forward, that you understand this could be a

conversation that were opening and moving from that. And [in] that same line, one thing that I'm not really appreciative, I guess, is the continual comparison to what the tribes have, because I just think these are two totally different things. The tribes come under IGRA, they have a different negotiation process. And I get maybe, from your perspective, it is competition, but that's just not how I'm going to look at this. This is something totally separate of what you might get and then what the tribes have. These are not conversations for me that are going to be productive if we continue with that [sort of] comparison game of, "Look what they have, look what they have," because that's just not ~~the~~ where I'm at on this.

But for me personally, I am open to potentially having that further conversation and understanding. And just so everybody is aware, not saying we're going to do this, but if we did open rule making, that doesn't necessarily mean anything. We have time to then go over everything, get together with stakeholders. And at the end of it, we could not pass anything or we could prove different numbers just so we're all on the same page there. So now, are there any other comments or questions from commissioners ex officios? Oh, Representative ~~Cloba~~ [Kloba].

Representative ~~Cloba~~ [Kloba]:

Yes, good morning. Thank you very much. I appreciate the opportunity to add a comment. And I'm very gratified to know that your support of the self-exclusion concept and being more broadly applied, very glad to have that. And just wanted to update you that we do, in fact, have that system fully operational now. And we've had people doing the self-exclusion across all of the non-tribal gaming and just wanted to make sure that you knew that tribes do have their own self-exclusion systems and they fully have the opportunity if they so choose to engage in the statewide self-exclusion, but as sovereign nations cannot be compelled to do so, that is something that I think we will continue to make it friendly. There are some infrastructure, like computer IT infrastructure hurdles that we have to get over before I think that that would be entirely practical, but certainly conversations that we are always open to.

And then I had a question if I may, Madam Chair. I represent a very small slice of Kirkland, not where one of your card rooms is located there in the Kings Gate area, but I noticed you were saying you're headquartered there in Kirkland and you have a number of corporate entities listed on the secretary of state's office. And many of them, which are headquartered in Kirkland are foreign limited liability corporations, like your Maverick Caribbean, Maverick Gold, Maverick All Star, Maverick

American, Indianola, Kirkland Two, Kirkland, all of those as foreign LLCs. **2** And I don't know enough about corporate structure to understand the difference between a foreign LLC and just a regular LLC. So can you help me out with that a little bit?

Eric:

Maverick Gaming is an overall company that has 27 casinos in three states. Our headquarters is in Kirkland, Washington. All of our LLCs are domestic LLCs, meaning that they're all based in the United States, all of them. And the LLCs are likely to be individual to each card room, basically for liability reasons. But they all roll up ultimately to our parent Maverick Gaming, which is based in Kirkland, Washington, whether they're casinos in Nevada or whether they're casinos in Colorado.

Vicky:

And what I would add to that and the commission staff could probably assist as well, but in order for any of these entities to be licensed in ~~of~~ [the] state of Washington, they have to do pretty specific and detailed forensic financial information and the gambling commission has to approve that. Be happy to

look further into what you're looking at, but you can feel safe knowing that these are all companies located here, Washington, Colorado, and Nevada, and the headquarters of Maverick Gaming is right there in Kirkland and happy to have you come visit our corporate offices anytime. To the first comment about self-exclusion, I did want to add, I completely understand the logistical hurdles. Still, for us, we would like to know if somebody self-excludes, let's say, at Emerald Queen so that we [don't] let them into our card room.

That's our ultimate goal and we'd like them to know as well when we self-exclude. And I liken it, Representative ~~Cloba~~ [Kloba], you might remember this. It's been a little over a decade or so ago when hospitals all came together with the state to work with the state to create a centralized prescription drug monitoring program, meaning all the hospitals are linked now through electronic systems. So if somebody is prescription shopping for opioids and they go to Valley Medical Center and then go over to Swedish, that is something that they know at Swedish. Those are different entities with different structures, different IT, and they were able to work it out. So from our perspective, that's something the state should be able to work out with our partners in the tribes and with our card rooms so that we can make sure we're keeping people with problems gambling out of all gambling activity in the state.

Representative ~~Cloba~~ [Kloba]:

Yes. And as the sponsor of the bill that created the system that is, as you all [well] know, a goal of mine as well, and again, with the IT infrastructure challenges that we have, it's helpful to remember that we are far behind the hospital and medical industry in terms of electric medical records. On their case and in our case it would be just a self-exclusion record, but we will continue to move along that spectrum and invite our tribal partners to work with us.

Madam Chair:

Okay. I see another hand raised, but I'm not sure who it is yet. Commissioner Lawson.

Commissioner Lawson:

Yes. Thank you, Madam Chair. I am like everyone else, I think, on this call, very sensitive to the concerns with inflation and the increased costs of doing business right now. And I appreciate the information that petitioner has provided. What I'm missing though is, under RCW 9.46.0325, social card games are authorized for a business that is primarily engaged in the selling of food or drink. And so I know other restaurants are also dealing with these pressures from increased costs of goods and increased wages. So they've had to compensate by increasing their prices to handle those increased pressures.

My question then is... How do I put this? **3 a** Wouldn't it be sort of special treatment to the house bank[ed] card rooms if you're allowed to keep those food and beverage prices low by subsidizing it with the increased wager limits where everyone else that's also a restaurant that doesn't have the card room experience available in their restaurant is having to raise their prices anyway? And then along those same lines, **3 b** also under RCW 9.46.0325, and this is echoed in WAC 230-15-005, card games are meant to be a commercial stimulant. But the information that I'm seeing here looks more like it is that the wager limit is not being asked of us to stimulate your food and beverage business. It's being asked to offset the costs or to subsidize your food and beverage business, which I don't think is the intent of the legislation. So would you like to speak to that?

Vicky:

Yeah. I'll start and then I'll let Eric speak to the specifics on the pricing. Here's the deal. The max wager was \$200 for all those years. And now we're at 13 years ago, the commission [saw fit] [inaudible 00:57:03] that to adjust it based on the economics of the business. And so we're back 13 years later to ask the commission to consider adjusting it again. It's been something that the commission has done to account for the change in business over that time. You are correct, it is a commercial stimulant and I'll let Eric speak to the specifics on pricing. But it is also a robust business and we have to draw customers in. And that is where we are. It's been 13 years since it's been raised and we're asking for the commission to take the time to look at what the appropriate adjustment would be after that 13 years. You want to speak to the food prices?

Eric:

Sure. Our food and beverage prices, I think, along with most everyone have increased over 20% year over year, subsidizing. That's one of the areas in our business where we're able to actually charge more for beer or charge more for the food that we get. What we need is more people in the building who then will buy food and buy alcohol and spend more time in our facility. And so you can't just charge more to a gamer who comes to gamble because they get to choose the amount that they want to wage[r]. And you also can't just arbitrarily change the rules so you just take people's money faster. One, it would destroy the gaming experience, you'd probably lose your customers anyway. But two, you have to have obviously a fair game for your consumer. So by allowing a particular small segment of customers to bet more who want to bet more, we expect to see an overall lift corresponding to the seven and a half percent increase in our food and beverage as well throughout our ~~home~~ [whole] facility.

And so the food and beverage revenue is very important to our facilities. Like I said earlier, it can be upwards of 30% of our revenues in the building. And that has to do with the size and scope and scale. We're about overall across all the card [room]s, we're a 50 million [dollar] business compared to other ~~travel~~ [Tribal] facility, it'd be 2.2 billion. So we're much smaller. And so at the end of the day, we need to figure out a way to get every consumer we can into our building and compete in the ways that we can compete. And when I say compete, I'm not necessarily talking about competing with tribal facilities. What I'm saying is compete for a consumer who wants to gamble more, compete for a consumer who'd like to find a reason com[e into] ~~ing to~~ our building. That's ultimately what we're trying to do.

How do we find more people to come and spend more time in our facility? And we were thinking bet limits is one of the ways that we can do that. And so that's why we're requesting this because we're trying to have a robust, healthy card room to support the 80% of our business employees who work on the gaming side. And those jobs are important to us, they're important to the state. I think they're important to their families and everybody else. And so they're important to me because obviously I'm a [in] business for profit, hopefully. And ultimately I have 2,200 team members who have, I don't know, three or four family members as well, and it's very important to them. We don't subsidize our food and beverage so that we can get people to gain. We actually had to raise our price in food and beverage. We're just trying to identify new consumers who'd like to come in and ~~be~~ [bet] more and allow them a chance to [inaudible 01:00:18] come to our facility].

Vicky:

And unfortunately, we've seen a lot of restaurants that have had to close their doors because of the increased costs. Luckily, we haven't laid off a single person, even though we were closed for all those times. The cost of operating the tents, which many of you will remember the tents, cost Maverick about \$735,000 a month to keep those tents open. And that was done to keep our employees in their jobs, to

keep the business going. Because as anybody knows who's ever been in a business, if you shutter, it's really hard to reopen. So it's all about the commitment to keep these jobs, to keep the businesses whole and allow us to continue to provide that neighborhood experience to our consumers.

~~Representative Cloba~~ Commissioner Lawson:

Thank you.

Vicky [Madam Chair]:

Okay. Senator Conway, I believe you are next. You might be muted.

Senator Conway:

I muted, I see that. Can we have the slides that you presented made available to us? I thought they were very interesting. If you can give those out to us... It's hard for me to read the slides on these screens.

Vicky:

Yeah. I think they were in your packet, but we will also forward them, for sure.

Senator Conway:

Okay. If you'll forward those to us, that'd be great.

Vicky:

Yeah.

Senator Conway:

The other question I have is more for staff. And we know that the wager limit has been raised in some tribal casinos and not all. That's what the compact process has been, is [it's] not generic. It's really been specific to the compacts of particular tribes. And I'm curious how back in the late parts of this...

4a When we move[, increased] the wager limit to 300, did we do that through legislative work or was that done through the gambling commission? And did it apply to all gambling establishment? What is the history of the increase in wager limits that seemed to apply to everyone in the late period of this century or in, what is it, 2007 or '08, whenever that was done, how did we do that?

And how does our process differ today in terms of raising wager limits? Because that's an objective question, really, for staff. Because I think that right now our wager limits have been going up in our compacts, people are embracing by different tribes, these wager limits are going up. So it's not across the board in any way. And I'm just curious, how did we do this in the late part of the 2007 and '08? Do you remember, Tina? I guess that's a question for you or Julie. One or the other.

~~Speaker 8~~ [Director Griffin]:

Thank you, Senator. I can't speak to the timing, but the raffle wager limit is set by statute. And the punch for- [board/]pull tab wager limit is set by statute. Those are the only ones that are coming to my mind at this particular moment.

Senator Conway:

The card rooms were allowed to move to 300 in that period of time, I'm just curious how it was achieved. In their presentation, they point out that they got the same increase in that period of time to 300. Was it by legislative action or was it by... How was it achieved that? Sorry, I don't have a memory of it. I've been around a long time, but it would be interesting to know ~~could~~ [because] we increase the betting limit to \$300 and how did it happen?

~~Speaker 8~~ [Director Griffin]:

Okay. The house bank[ed] card room increase to \$300 would've been by rule.

Senator Conway:

Was by rule.

~~Speaker 8~~ [Director Griffin]:

Right. There is no wager limit for house bank[ed] card rooms in statute.

Senator Conway:

Right. And that applied also... Was compacted as well, it sounds like.

~~Speaker 8~~ [Director Griffin]:

Tribes... Just a moment, sir.

Senator Conway:

You don't need to answer the question today, but I think it is an open question as to how we got everyone to 300 at the same moment. And I'm just curious... We got recognized and not all tribes have the \$500 betting limit. Am I right on that?

~~Speaker 8~~ [Director Griffin]:

No. If I may, the \$300 was raised in 2008, 2009 for house bank[ed] card rooms by rule. It's my understanding that, and I'm trying to pull it up, the wager limits for ~~class three~~ [Class III] gaming activities, that is all set by compact first and foremost. And I believe that was set then in the original compacts as early as 1995 at \$500 limits. So we've only started increasing those \$500 limits through negotiations within the last few years.

Senator Conway:

Right. And it doesn't apply to all the gambling in this state either, does it, for the tribal gambling? They have the ability to do that if they choose through compact associations.

~~Speaker 8~~ [Director Griffin]:

Right.

Senator Conway:

4b If you can do me a favor and re-look at the history of when this happened, I'd be interested. We did raise the wager limits for the card rooms at one point, so let's figure out how we did it and why. I

think the request here to go to 500 is not something that's universal. That's my assessment anyway. Of course, the other piece of this that is interesting to me is that we've raised wager limits in conjunction with raising contributions on problem gambling with our tribes. And so they have been okaying that particular compact. So I think it pays all to try to think about wager limits, not as it has happened in our state. So with that, I'll look forward for a more conversation on that. Thank you.

Speaker 8 [Director Griffin]:

I have pulled up some information here if I may continue. I believe the statute went into effect in around 1997, 1998, establishing house bank[ed] card rooms. I wasn't in [L]icensing at the time, but I do recall that it took a period of time for those to get open. My information in front of me indicates that new house bank[ed] card rooms around 2000 had wager limits at \$25 where they experienced the ability to have \$100 wager limits. And then there was a rule change in 2004 for limited tables at 200. And then the most recent rule change 2008, 2009 increasing from 200 to 300. So that's just a brief summary of the history for wagering, all set by rule for house bank[ed] card rooms. Tribal would all be through tribal negotiations, \$500 being set at the time in 1995. And all tribes at this time that have not entered into the higher wagering appendix that nine tribes have, the other 13 are operating at \$500 limits. Thank you.

Madam Chair:

Commissioner Reeds [Reeves]?

Commissioner Reeds [Reeves]:

Thank you, Madam Chair. I have a couple questions if you'll indulge. And I asked these questions in the context of my background working in national security efforts and government[-to-government] relations as well as being an economic developer. One, I just want to say thank you for bringing the economic impact information. I think one of the things that I would like to request further understanding on, which is why I'll be voting to move this to rule making, because I think asking our staff to do this work with you all without the authorizing environment creates an undue burden on our staff who's already tasked with a lot of work, but would like to understand the difference, quite frankly. Tribes in my mind are a government to government much like when the Department of Defense negotiates with other groups, they're not negotiating against their best self interest.

And so I think much like Commissioner Levy said, I don't think of tribes as your competitor because I don't think they're regulated on the same level or in the same way that we are regulating a

private for-profit industry. **5** So one of the questions that I would have for you all is a better understanding when you talk about both inflation, are you tying this request from 300 to \$500 to change [chain] inflation? Because at the current change [chain] inflation rate, the CPI rate, it would only equate to \$398 rather than \$500. So just curious to understand how you got from three to five.

6 Secondly, understanding your tier one, tier two, tier three supplier impact. So we talk obviously as an industrial base that, Mr. Persson, you describe it as wanting to bring more gamblers into your establishment with a recognition that Commissioner Lawson just highlighted, the RCW that really says that this started as a supplementary activity for restaurants and beverage organizations.

So one of the questions I'd like to understand is in that impact, that economic impact that you're talking about, you've done a great job of identifying how many workers this impacts, inflation rates, all

of that. What I guess I'm not seeing in your ripple impact is what those tier one, tier two, tier three suppliers look like and what that ripple into these communities really means when we use that language. So we'd [would] love to see some of that. And again, I think this will come out in the course of rule making conversation. And then the last question that I have for you all, and this is more directed to staff, but in the short time that I have been on the commission, it seems very much to me like we actually have three categories of gaming institutions here. One being tribal institutions, which again, are government to government tribal sovereignty regulated for the purposes of their economic wellbeing.

It seems to me like somewhere along the line, we shifted from really focusing on that restaurant retail, organizational base with a supplementary card room, or card activity, punch boards, whatever, to now actually having a full blown gambling industry. So kind of a second tier, if you will. And **7** I would love for staff as we go through this rule making process to identify those establishments that really market themselves as card rooms first versus the establishments that market themselves as bars. And an example, I use, I have a small local establishment that I go into in Federal Way called Scoreboard. And it markets itself as a restaurant bar retail space. It does not necessarily publicly market, "Come here for punch boards, et cetera." But when you go into the establishment, you then find there are punch boards and other gambling activities that you can participate in.

Whereas I think about places like the Silver Dollar or others where they're absolutely marketing themselves as a gambling establishment first, and then you go in and you can find out you can have Coke and Pepsi and all of that good stuff. So I guess I would really like to also use this rule making process to [understand] more distinctly where that division between restaurant and retail with a supplementary gambling activity versus a gambling activity with a supplementary restaurant in retail. Because I think that distinction needs to get made somewhere in this rulemaking process as a determination for how we're actually driving economic output and regulation around economic output in the conversation. Does that make sense? I hope I explained that okay.

~~Speaker 8~~ [Vicky]:

I'll step in on your questions and data interest and I share that interest and I appreciate, Commissioner... I think we view this again as the beginning of a conversation and have provided some basic information around wage increases, inflation, cost of goods. So all those things as part of the basis for asking the commission to move forward with this conversation. Everything you're talking about and the details that need to be explored further, that's exactly what we hope we can embark on with staff and with the commissioners and all stakeholders as we hopefully go forward with the rule making conversation. So appreciate all those. I think they're really good questions.

Madam Chair:

Commissioner Patterson.

~~Commissioner~~ [Vice Chair] Patterson:

I just want to say that I do think that, when the state of Washington negotiates with sovereign entities, when they negotiate with the Canadians over the border about, I don't know, fish or when they negotiate with the state of Oregon and work with them with regard to the impact of our different tax structures, or when they work with our [sovereign] Native American nations, I do think that it is relevant for the state of Washington to be considering how those negotiations impact their small businesses. I've been listening carefully here. I look forward to more conversation about that.

Madam Chair:

Commissioner Sizemore.

Commissioner Sizemore:

Good discussion, for sure. And I suppose as much as I've talked the last eight years on this commission, I'd probably better talk on this issue as well. And I'm not even sure if there is a question at the end of this, but I'm having a little bit of trouble with some of the comparisons or some of the rationale. In my mind, the rationale to initiate rule making is that the last time it was raised was 13 or 14 years ago. So that, in my mind, is probably adequate for us to take a look at the topic. Where I run into a little gritting of my teeth is, I look at our legislative declaration that talks about limiting the nature and scope of gambling activities by strict regulation and control.

I'm going to bet that the slide that showed California, Colorado, Nevada in comparison with Washington probably don't have that same legislative declaration. And I believe that legislative declaration there and the entire statute set of statutes determine how this commission can move forward and what we can and can't consider. So for me, I want to make sure that we're making these decisions or are given evidence to try to come to a new level of wagers that it's with the legislative declaration in mind. Cost of goods sold is, yes, going up for everyone. We understand that, but for me, it's not super compelling as far as why we should do this, because the rest of the food and beverage industry has those same sort of things. I understand that.

I look at when card rooms were okay. And you know what, from what I can tell the legislature didn't push back at the creation of them. And I think when they started, they had very low limits. And it ballooned up pretty substantially from what those initial limits were from what it started to 300 that's... And again, this is where you get into selection bias of the data. You can make things look really positive or really bad based on the data that you select to highlight. So I am supportive of going ahead and initiating this rule making, but **8** I want, for me, to be convinced it's going to require to fit within our legislative declaration and for the legislature to essentially indicate that they're supportive that we're still within our statute.

And I think that the legislature has done that to this point because they haven't passed a law or whatever to limit our ability to do this or consider a wager increase. So I'm supportive. I definitely want to make my decision based on some other things that aren't here. And I would imagine you all will be back. My old friend, Victor Mena and other operators will be back, because this is not just Maverick Gaming. This is all of the [inaudible 01:20:01] industry. I look forward to more conversation, but I may need some convincing before I can get there.

Madam Chair:

Great. Thank you, Commissioner Sizemore. Do we have any other commissioners or ex officios comments, questions? Okay. Is there any public comments? Is there anything in the email?

~~Speaker 11~~ [Barry Murray]:

I would like to make a [inaudible 01:20:34].

Madam Chair:

Yep, please.

~~Speaker 11~~ [Barry Murray]:

Do you want me to go up there or just do it right here?

Madam Chair:

I think you go up here, yeah.

~~Speaker 11~~ [Barry Murray]:

It's a small room so I could go [inaudible 01:20:41].

Madam Chair:

[inaudible 01:20:41] be on camera for everybody with a microphone up here. And if you could state your name and who you're with as well.

~~Speaker 11~~ [Barry Murray]:

Thank you, Madam Chair, commissioners, ex officios, representative, senators, everybody. Appreciate the moment to just express our support for this rule making going forward. And Eric, Vicky, Mavericks-

Madam Chair:

Can you identify yourself?

Barry:

Oh, I'm sorry. Barry Murray. I'm the owner's liaison for the Iron Horse casino.

Madam Chair:

Thank you.

Barry:

And again, echoing what the points they made, whether it's costs, I think I mentioned to Director Griffin this morning that I can't hire a cook for less than 22, \$23 an hour at this point. And it's becoming very challenging. Staffing's challenging everywhere, let's face it, but this is a nice step moving forward. And so we just wanted to echo the support for this moving forward. Thank you.

Madam Chair:

Thank you. Is there any other public... Okay. Tony Johns, I think your hand is raised. You might be muted.

Tony:

Okay. Can you hear me now?

Madam Chair:

Yes.

Tony:

Okay. Hi, my name is Tony Johns. I'm coming to you on behalf of Evergreen Gaming. I'm the general manager at both Chips and Palace Casinos in Lakewood. I just wanted to come to you and let you know that on behalf of Evergreen Gaming, we do support this rule change and really to echo what the representatives from Maverick are saying, with the increased costs of wages, the skyrocketing increases and inflation, really, it's become a challenge to kind of keep up with... Competitive wages is really what it comes down to from our perspective. We talk about competition, certainly when it comes to the tribal casinos from our perspective, when we talk about competing, we're talking about for similar jobs, similar positions.

Floor supervisor wages, wages with cooks, security staff, surveillance staff, that's where we see the competitive end of things, where we have to compete to be able to offer higher wages or competitive wages to those staff members. And that's where a lot of our challenges fall. So really, that's our take on that. And certainly we support the thought of bringing this petition forward for further discussion to really iron out the details and come to what everyone can agree is a workable solution to a lot of these problems that we face. And really, just dial in the details where everyone is comfortable with a wage increase, whatever that ends up looking like. And I thank you for your time.

Madam Chair:

Thank you. Is there any other public comments? Is there any [in]email? No? Okay.

~~Speaker 14~~ [Julie Anderson]:

Excuse me. We did have an email come in this morning. It was from him. We received an email from Mr. Johns this morning and he basically said everything that we have in writing. I can read it into the record if you want me to.

Madam Chair:

Oh, yes please. [Read it into the record.]

~~Speaker 14~~ [Julie Anderson]:

[inaudible 01:24:55] read it into the record? Okay. Tony Johns, general manager of Chips Casino and Palace Casino sent a letter through our website and it says: "Evergreen Gaming wishes to support the submitted rules petition requesting that the maximum wager limits be increased to \$500 and 1,000 limited to no more than three table games. Evergreen Gaming believes that this rule change is necessary to continue to keep up with the increasing wage growth and skyrocketing inflation. Evergreen Gaming wishes to remain competitive with its pay and benefits offering throughout the food and entertainment industry. The \$500 table limits will play a vital role [role] in doing this and the \$1,000 limits on up to three table games will allow us to provide a desirable option to the top 3% of guests who currently go out of state ~~work~~ [where] comparable limits are [inaudible 01:26:03]." Run on sentence. "We thank you for your consideration for this rule change and look forward to participating in future discussions on how to implement the most effectively in a way that promotes safe and responsible gaming."

Madam Chair:

All right. Thank you. Okay. I think that wraps up public comments. So we can now go to a motion, if there is one.

Commissioner Sizemore:

I'll make a motion. I move to initiate rule making proceedings regarding wager limits for further discussion.

Madam Chair:

Okay. Is there a second?

~~Speaker 8~~ [Vice Chair Patterson]:

I'll second it.

Madam Chair:

Great. Any discussion on a motion? Commissioner Lawson.

Commissioner Lawson:

Yeah. I would prefer to see a petition that is more narrowly tailored to the specific needs of the business and that addresses the legislative intent and the legislative declarations that we have from our state legislature in the statutes. I think a more narrowly tailored position would really help us focus our further discussion on rule making, because this petition that's been submitted appears to me to be more at an everything-including-the-kitchen-sink petition with a specific theme, we'll say, of wanting the gambling commission to level the playing field with tribes where that's not necessarily within our purview because of the...{very unique relationship we have with tribes ~~end up in getting~~ [under the Indian Gaming] Regulatory Act. And so I would prefer to see a more narrowly ~~bracket~~ [drafted] petition from the petitioners.

Madam Chair:

Ok, thank you. Commissioner Reeves.

Commissioner Reeves:

Thank you, Madam Chair. So I think just in terms of comment, I want to make it clear at least my position ~~again~~ I, I do not like that we are, that it has been referenced that this is competition with the tribal market, and I just don't see that, at least [in] my personal opinion, [as who] ~~to~~ our competitors in this particular market are. I do believe that, as a regulatory agency, independent of what tribes, what our government[~~-to-~~]government relationship is [with Tribes], ~~we've tried~~ it is our job as a regula[tory] ~~rate~~ agency to regulate ~~the~~ [this] private sector market as a directed [in statute] ~~and thought you~~ and to really think about the economic impacts that it's having in community.

I do think that, in this rule making process, **5** I would like to see staff as I, as I mentioned, really take into consideration the economic factors. Things like raising the ~~major when it's~~ [wager limits] based on ~~change~~ [chain] inflation. **6** Thinking about how the tier one, tier two, tier three suppliers are impacted by ~~that~~ [this]. And then I really would like staff as part of this process to be thinking about the fact that I do think the commission needs to play a role in partnership with the legislature in redefining this this ~~after~~ [effort.] I really do think somewhere along the way we lost sight of the fact that it was not the legislature's intent for card rooms to market themselves as card rooms first and as restaurants and bars second, but rather the other way around. And so ~~we'd~~ [would] really like us to be thinking about as we

go through this weight or [wager] limit our conversation, ⁹ what are the triggers? What are the strings, if you will? What are the centers of influence that should determine, beyond the economic factors, when and why we raised the limits in card rooms or Huffman cover [house-banked card rooms]. And so I leave those three items again, want to just think [thank] the petitioners for their thoughtful discussion leading up to the the [this] petition today and for their willingness to understand our staff needs and being able to engage in the log [this dialogue].

Madam Chair:

Thank you. Commissioner Sizemore.

Commissioner Sizemore:

Thank you, chair. So I want to thank my ~~my~~ [fellow commissioners] Reeves and Lawson for their comments and perspective and, and I couldn't agree more, I think, on the tenor of what, what they're proposing. I would like to point out that my motion was intentional to not say "as proposed by the proponents," but simply to bring it around to the topic of wager limits.

So I think I think our staff is going to need we need to initiate rule making for them to invest the time and energy to do the research, engage the stakeholders and partners and bring forward, you know, potential proposals. So for that reason, I'll be supporting the motion, and I ask for support from the rest of the commissioners and realize that, yes, I am not suggesting that what was proposed should be ~~or~~ [our final product.]

Madam Chair:

Thank you. [I see Commissioner Lawson's hand.]

Commissioner Lawson:

Thank you. Commissioner Sizemore can you restate for us what your motion is so that we can just, based on the comments you just gave, have you just repeat what your motion is?

Commissioner Sizemore:

Sure. Chair, is that alright?

Madam Chair:

Yeah.

Commissioner Sizemore:

Ok, I believe my motion – and staff will correct me if I was wrong – was to initiate rule making proceedings regarding wager limits for further discussion. Chair, is that alright?

Commissioner Lawson:

Thank you.

Madam Chair:

Ok, so we have a motion. It was moved and seconded. There is a motion on the table so I'm going to ask Director Griffin to take a vote, do the roll call, please.

Director Griffin:

Certainly, Vice Chair, Patterson?

Vice Chair Patterson:

Aye.

Director Griffin:

Commissioner Reeves?

Commissioner Reeves:

Aye.

Director Griffin:

Commissioner Sizemore?

Commissioner Sizemore:

Aye

Director Griffin:

Commissioner Lawson?

Commissioner Lawson:

Aye

Director Griffin:

And, Chair Levy?

Madam Chair:

Aye

Director Griffin:

Five "ayes".

Madam Chair:

Thank you. Ok, so the motion passes. We'll move into... [2:25:57]}

**Questions on HBCR Wager Increase Rules Petition
From the August 2022 Commission Meeting**

1. Why was the request in 2016 for increased HBCR wager limits withdrawn? What were the commission's concerns?

See WSGC's Response to Question 1

2. What is the difference between a foreign LLC and a regular LLC?

See WSGC's Response to Question 2

3. a. "Wouldn't it be sort of special treatment to the HBCRs if you're allowed to keep those food and beverage prices low by subsidizing it with increased wager limits where everyone else that's also a restaurant that doesn't have the card room experience available in their restaurant is having to raise their prices anyway?"

b. "...under RCW 9.46.0325 and WAC 230-15-005, card games are meant to be commercial stimulant. But the information I'm seeing here looks more like it is that the wager limit is not being asked of us to stimulate your food and beverage business. It's being asked to offset the costs or to subsize your food and beverage business, which I don't think is the intent of the legislation. So would you speak to that?"

These questions appear to be directed to Maverick Gaming to respond to. Refer to the transcript for response by Vicky Christopherson and Eric Perrsons. See also Maverick's written materials in the rules packet.

See WSGC's Response to Questions 3 and 8

4. a. "When we moved the wager limit to \$300, did we do that through legislative work or was that done through the Gambling Commission? And did it apply to all gambling establishments? What is the history of the increase in wagering limits that seemed to apply to everyone in the later period of this century or in, what is it 2007 or '08, whenever that was done, how did we do that?"

b. "If you can do me a favor and re-look at the history of when this happened, I'd be interested. We did raise the wager limits for the card rooms at one point, so let's figure out how we did it and why."

See WSGC's Response to Question 4

5. “So one of the questions that I would have for you all is a better understanding when you talk about both inflation, are you tying this request from 300 to \$500 to ~~change~~ [chain] inflation? Because at the current ~~change~~ [chain] inflation rate, the CPI rate, it would only equate to \$398 rather than \$500. So just curious to understand how you got from three to five.”

This question appears to be directed to Maverick Gaming to respond to. See Maverick’s written materials in the rules packet. See also WSGC’s Response to Question 5.

6. Understanding of the tier one, tier two, and tier three supplier impacts. What is the ripple impact to the tier one, tier two and tier three suppliers look like and what that ripple into these communities really means when we use that language?

WSGC will need to engage a contractor, most likely an economist, to determine the economic impact with increasing the HBCR wager limit to \$500 in the: value-added or produced into the community, employee compensation or earnings paid in compensation, and total employment via new jobs created or sustained.

7. “I would love for staff as we go through this rule making process to identify those establishments that really market themselves as card rooms first versus the establishments that market themselves as bars.”

WSGC staff needs more time to compile social media, print and commercial marketing materials for each of the 38 HBCRs.

8. Does this fit within our legislative declaration “and for the legislature to essentially indicate that they’re supportive that we’re still within our statute.”

See WSGC’s Response to Question 3 and 8

9. What are the triggers? What are the strings, if you will? What are the centers of influence that should determine, beyond the economic factors, when and why we raise the limits in card rooms or house-banked card rooms?

This seems to be a policy question that the Commissioners rather than staff responds to.

WSGC's Response to Question 1

Summary of the 2016 RGA Petition to Increase HBCR Wager Limits to \$500

The RGA submitted a rules petition seeking to increase the HBCR wager limit from \$300 to \$500. The petition was heard at the September and October 2016 commission meetings.

At the September 8, 2016, meeting, a motion was made to file the petition for further discussion, but the motion did not initially receive a second. The following is a summary of the discussion amongst the Commissioners and Ex-Officios:

- Potential impacts on those people that have a problem with gambling;
- Raising the HBCR wager increase would lead to extreme limits in Washington;
- Number of wagers per hand and how that tie into the single wager limit;
- Parity with the tribes;
- How much the wager increase would afford the HBCRs; and
- Problems the private sector is having and attrition within the industry.

It was suggested that the Commissioners file the petition to allow for a deeper discussion on the topic in the future and then decide on a solid rationale for denying or approving the petition.

The vote was 5-0 to file the petition for further discussion.

Prior to the October 14, 2016, meeting, the petitioner withdrew their request for rulemaking. When asked to further explain why the RGA was withdrawing their petition, Victor Mena stated, "Mainly we don't want to be told no as an industry, and not have the opportunity to ask in the future. And that's really our fear."

After further discussion and public comment, the Commissioners voted 5 – 0 to withdraw the rule change.

Attached:

- September 8, 2016, Transcript of the HBCR wager limit increase petition
- September 8, 2016, Rules Summary package
- October 14, 2016, Transcript of the HBCR wager limit petition
- October 14, 2016, Rules Summary package

This transcript is a from the September 8, 2016 Commission Meeting related to HBCR wager limit increase petition.

7. Recreational Gaming Association Petition

Wagering Limits for House-Banked Card Games

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

Director Trujillo: Yes. Thank you, Mr. Chair. This is a requested amendment to WAC 230-15-140, wagering limits for house-banked card games. This is before you for the first time today for discussion and possible filing. We talked a little bit about it at study session last month, and again this morning.

It is only a one word change. It would change “3” to “5”. At this point currently, the wager limit is \$300. This is asking the wagering limit to be increased to \$500. In 1997, house-banked card rooms opened up with wagering limits of \$25, which increased to \$100 a little bit later. The last wagering increase was in 2009 which put a limit at \$300, which is almost seven years ago now.

I have to share a typo with you that is on page 2. The very first sentence at the top says, “There will be an increase in time spent by staff reviewing internal controls and games rules and answering questions.” I typed this and it was my mistake. It should say “may” as we don’t know for sure.

The legislature has clearly said that you can set wagering limits. If you contrast that with the number of tables, that is clearly in Statute up to 15 tables. Wagering limits is within your jurisdiction. If you look at the policy consideration, you should consider if this is consistent with the legislative declaration which defines social card games. Right now we have wagering limits in tribal gaming operations which have been \$500 since 1995, almost a quarter century. That is something to consider.

I would like to read a late arriving statement of support because I think there might be something to glean from this in light of our earlier discussion. This was written by Dave Fretz. He asks that we accept this note of support for the rule change, but more specifically he says, it’s been many years since the wagering limit has been increased. Initiative 1433 will be on the November ballot, and it is likely to pass. The Initiative will increase the minimum wage 16% from \$9.47 to \$11 on January 1, 2017. That is in part, part of the consideration when you look to why the petition was submitted;

This transcript is a from the September 8, 2016 Commission Meeting related to HBCR wager limit increase petition.

they're planning for the future. Are there any questions for me? If so, I'd be happy to answer them. Otherwise we can turn it over to the petitioner.

Chair Sizemore: Yeah. Any – Chris?

Director Trujillo: Commissioner Stearns?

Commissioner Stearns: It seems like what we're doing is in response to the request we would be increasing the limit so that the card rooms could make more money, is that right?

Director Trujillo: Yes.

Commissioner Stearns: So based on that assumption, do we have any sense of how much more money they would make?

Director Trujillo: At this point, no. I think what they're looking for is an option to increase the wager limits. They're like all businesses, the market will only bear certain increases. Not all house-banked card rooms would be able to operate all tables at \$500, let alone operate 24/7 at \$500. But I think they are looking for – and we'll double check this with the industry – is to have an option. If good nights happen to be Thursdays, that might be the time to do it. If they can never take advantage of it, they won't. But they might be able to go up to \$320 or \$450, or something like that. I'm only guessing, so I think we should hear from the petitioner and the public on specifics.

Chair Sizemore: Yep. All right, any other questions for Dave?

Commissioner Gray: No.

Chair Sizemore: If the petitioner would like to –

Mr. Mena: Commissioners, staff, ex-officio, Victor Mena again, President of the RGA. The RGA did submit this rule in light of the upcoming increase of expenses that we see in the future. It's not an

This transcript is a from the September 8, 2016 Commission Meeting related to HBCR wager limit increase petition.

easy thing for us to be able to pick up additional revenues. As you've seen before over the last two petitions that we've discussed from the RGA, they are things that hopefully could provide some stimulus to businesses. Unfortunately the card rooms and poker rooms don't have a real good mechanism to be able to do a price increase, unlike a coffee shop or a restaurant. It's not as direct, and it's not as easy to track how it would affect us.

Even with us acquiring a higher limit, it's still an unknown as far as if it will really do anything for us. We're really kind of grasping as an industry.

One of the things that is before you on this petition is that we would like to see if it is proved to be approved 31 days after filing. That's all I have.

Chair Sizemore: Okay, any questions? I'm trying to understand. An increase in the wagering limit from \$300 to \$500, so are we thinking that we're going to get new players that aren't coming in because the limits aren't high enough? Or are people going to just lose more money?

Mr. Mena: It's possible that we could attract different players, it's very possible. It's also possible that we might not. It's hard to say. Most of our card room businesses are local neighborhood bars, so most of our clientele are local regulars. There are some local regulars that would like to play at a higher limit.

I have nine locations. Of those nine locations, I can see maybe a couple of locations getting any benefit from this. But there are pockets in high metropolitan areas where there are more affluent players that this would actually be a benefit to those locations. I do have locations also in rural areas where this probably wouldn't even come into play.

Chair Sizemore: Okay.

Mr. Mena: Again, we don't see this as being a major piece, but we need to look at anything.

Chair Sizemore: Okay. Any other questions or further comments?

This transcript is a from the September 8, 2016 Commission Meeting related to HBCR wager limit increase petition.

Ms. Chiechi: Thank you, Mr. Chair. Again, Dolores Chiechi of the Recreational Gaming Association. We did send out a questionnaire to our members, and we have about 27 of the 50 card rooms that are members. We told them we submitted the petition and asked for the number of members that may offer a higher wager, on how many games, and how frequently. The responses we received back ranged from we'd make all tables \$500 all the time, to we don't have the market for it, but we hope that you are successful so that others can enjoy that option. We've had some say we might do it on a Friday and Saturday, or do it occasionally. So there is a range. But the consensus was we'd like to have the option. It may be a \$350 limit one day, or it may be a \$400 limit. It doesn't have to be \$500. It will help some operators, and other operators support it just because they like the idea of having the option. Thank you.

Chair Sizemore: All right. What is the pleasure?

Commissioner Gray: I'll move to file the petition for further discussion.

Chair Sizemore: Is there a second? No second. Our options are either to file, we can propose an alternative version of the rule, or we need to deny the petition in writing stating the reasons for the denial. Does anybody have some rationale for denial? Am I correct on that, Director?

Director Trujillo: Yes. Are you asking for reasons for denial or reasons for possible alternatives?

Chair Sizemore: I just laid out what we need to do next. And correct me if I'm wrong, it seems like if we can't get a second, that we are denying.

Director Trujillo: That's correct, sir.

Chair Sizemore: Or somebody can propose an alternative.

Commissioner Patterson: I don't have an alternative. I am torn by this because I don't know the effects that this potentially may have on people with problem gambling issues. It may just give them

This transcript is a from the September 8, 2016 Commission Meeting related to HBCR wager limit increase petition.

that much more of an opportunity to very quickly lose a tremendous amount of money. That's my hesitation. I understand that it will provide, or may provide, some of our businesses with additional revenue, but I just don't know that the trade off would be worth it when considering what the affects might be on people who are inclined to gamble irresponsibly. That's why I did not choose to second, Mr. Chair.

Chair Sizemore: Okay.

Commissioner Troyer: No, go ahead if you have something.

Senator Mike Hewitt: I can't vote on this, but can I weigh in on it?

Chair Sizemore: Absolutely.

Senator Hewitt: I'm hoping you at least take a look at this because we've had a pretty lengthy discussion, and a good discussion today, about the problems that the private sector is having. And I think we need to afford them every tool we can possibly give them. Senator, I agree with you that gambling is a problem. But they can walk into a big casino and stick as many tokens into those machines as they possibly want to and there is nobody there to stop them. So I'm hoping that the Commission will consider this and give these people another tool, if they so choose to use it, to allow them to have a higher stake if they want. That's all they're asking for. We talked this morning about the attrition in this industry, and it's pretty significant. That's my weigh in.

Chair Sizemore: Okay, and then –

Commissioner Troyer: I understand now, and correct me if I'm wrong, because I just wanted to talk about this before we move forward with it. You can play three hands at once, is that correct, and play the minimum? At this point, anybody that's playing the \$500/\$300 tables and the table is empty, somebody could go and play \$900 a hand the way the rule is set right now, right? \$300, \$300, \$300. So if your tables aren't that full, we're really not at a \$300 limit, we're at a \$900 limit, because people

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can play three hands all at once and have \$900 out there. If we change it, then all of a sudden we have \$1,500 out there. Am I right on that?

Director Trujillo: That's correct, Commissioner.

Commissioner Troyer: Okay. So I'm just being me, and I apologize for throwing a big wrench in this. What if you had a \$500 table limit and you only allowed one person one hand per play and got rid of the three hand thing? That would take money away from you because then all of a sudden a person is not going to be able to bet \$900, they're only going to be able to bet \$500. Is that good or bad? They can bet \$900 right now.

Mr. Mena: If the table is not full.

Commissioner Troyer: Which it's not going to be --

Mr. Mena: Right, yeah.

Commissioner Troyer: -- at \$300 and \$500 limits. Am I right on that? Or do you have full tables at \$300 limits?

Director Trujillo: Commissioner, I might be able to lend some clarity --

Commissioner Troyer: All right.

Director Trujillo: -- or perhaps confusion.

Chair Sizemore: Right.

Director Trujillo: It's not a matter or a function of whether or not the table is full to determine whether or not somebody has -- but right now the current rules allow for four separate games within a single hand of cards. Some of the proprietary games have multiple times in which you can place a bet.

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At this point our rules currently allow for four separate games, and one of those games has to be no more than \$5, and the other three can be the wager limit. So that would be \$905.

Commissioner Troyer: \$5 more.

Director Trujillo: Yeah. But that's within a game. It's not based upon whether or not you have empty spots on a table.

Commissioner Troyer: But if there are empty spots on the table, you can play three positions at \$300 each, right?

Mr. Mena: Yes, yes.

Director Trujillo: You can play more spots.

Chair Sizemore: Yeah.

Director Trujillo: You could fill in all the spots, yes.

Chair Sizemore: Yeah.

Commissioner Troyer: You can fill it in. If somebody wants to go bet that much money, they can.

Director Trujillo: Yes.

Male Voice: I didn't realize that.

Commissioner Troyer: Yeah.

Chair Sizemore: Mister –

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Director Trujillo: Now I understand your point, thank you, sir.

Commissioner Troyer: Yeah.

Chair Sizemore: Did you have a clarification there, Mr. Teeny?

Mr. George Teeny: Good afternoon, Commission, ex-officios, staff. Yeah, my name is George Teeny. I have a couple clubs in La Center, Washington. I'm 16 miles from the Oregon border off of I-5. As for me, it would help my business because we draw heavily from the Portland area. We guesstimate about 70% of our players come from the Portland area, Eugene, and the surrounding areas.

To answer the question about do we have tables full with \$300 limits, yeah, we do. On Friday and Saturday nights, if you come to the Frontier, I would say out of the eight house-banked games, we would have maybe seven or all eight full, every seat covered. Would each of them be betting \$300 a whack; probably not. But a percentage of those players would do it. In fact if you want to stay until 8:00 tonight and go to the Frontier, since it is up the road about 20 minutes and it has a great restaurant and you'll love the place, you could actually take view of that.

As for will we create problem gambling, worst case scenario for the 3% to 5% that have the problems, it's certainly possible. I'm not saying it won't happen. But we're more apt to bring in more players. If a person has a gambling problem, there are so many ways that their money can be taken, not just from these clubs, but from other casinos or the slot machines/lottery machines they have in Oregon. They will take all your money without any problem.

There is a concern with that, I don't want to minimize it. But I think overall it would help the industry. It would certainly help my room. As Victor says, he's got nine clubs and there's probably a percentage of them that wouldn't have it. I know that we would.

One of the things that was done around 2006 or 2007, and possibly Dave or Dolores can help me. There was a discussion about raising limits from \$100 to a higher limit. What they ended up doing is

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they gave 5 out of the 15 tables that are in play, or one-third of them, to a \$200 limit and the rest stayed at the \$100 limit for a period of time. When they found out that it didn't create any problems per se, and of course, you can define problem any way you want, the Commission allowed all tables to have the higher limits. But they did give them a period of time to monitor it to see if it caused any problems.

There's a variety of ways of judging this. I know that in poker, when we went to a higher limit and had the six month study group with Commissioner Ellis and others, they had us create a program, a sheet, that would denote how many players were playing in the higher limits. If there was an F&B increase, there was a list of qualifiers. I'm not necessarily saying that you would do that, but it gives maybe a little bit of comfort to can these problems be resolved by seeing actual data. That's all I have to say, unless you have any questions.

Chair Sizemore: Okay, thank you. We didn't implement the speak once on a topic, did we?

Ms. Chiechi: May I speak, Commissioner?

Chair Sizemore: Yes, you may, please.

Ms. Chiechi: Thank you. I just wanted to respond to your concern, Commissioner Patterson. I appreciate your attention to that issue 'cause it's important to me as well. I would remind you that our industry is the only segment who has actually proactively trained 2,000 employees across the State on the issue of problem gambling awareness and responsible gaming. I just had a meeting the other day with the Evergreen Council and staff, and they're implementing online training that they are expecting to launch in March. so any employee can go online and take the training and be aware of the issues. If anybody in the industry has awareness about problem gambling, it would be the card room industry's employees to note and take attention to anybody who appears to have an issue with problem gambling. Thank you.

Commissioner Patterson: Uh huh.

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Chair Sizemore: Okay, thank you.

Commissioner Gray: I guess my only comment is that I believe that the tribes have a \$500 limit.

Chair Sizemore: Uh huh.

Commissioner Gray: And that would provide some parity.

Chair Sizemore: Yeah. My preference would be that we file the petition. I'm unable to second the motion. But I think that if we file it, the RGA has heard our concerns. I don't think it would preclude us from putting constraints, reporting, or delving down a little deeper on the topic in the future. We could then make a determination over the next few months that there is a solid rationale for denying or approving the petition. So I would be a proponent for filing.

Commissioner Troyer: For discussion.

Chair Sizemore: For discussion, yes.

Commissioner Troyer: For further discussion.

Chair Sizemore: Yes, and it goes through the few months process.

Commissioner Troyer: And it could be months and months, if we're making changes.

Chair Sizemore: Sure.

Commissioner Troyer: You guys are used to it. Okay, I'll second.

Chair Sizemore: Okay. So we do have a second. Did I do that right?

AAG Meader: That was just fine. You got your second, so all is well.

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Chair Sizemore: Okay, all right.

Commissioner Patterson: Mr. Chair –

Chair Sizemore: Yes.

Commissioner Patterson: So we would essentially be voting to continue the discussion?

Chair Sizemore: To continue the discussion. To file the petition.

Commissioner Patterson: Right.

Chair Sizemore: And then that starts the petition process.

Commissioner Patterson: Okay. I will support a continued discussion about the topic.

Chair Sizemore: And file it.

Commissioner Patterson: And filing. But I do feel uneasy about expanding that limit.

Chair Sizemore: Understood.

Commissioner Patterson: So if we're talking about it, and maybe amending it, or seeing what we can do, then I will support moving forward.

Chair Sizemore: Okay.

Commissioner Stearns: Yeah. I do share the same concerns that Julia has about problem gambling. And I do appreciate all the work that the RGA has done on that. I'd like to continue some kind of

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discussion on that, and work with staff to get a better sense of how much money would be involved. Maybe there is a way to work on some alternative streams too.

Chair Sizemore: All right.

Commissioner Patterson: You know, I'm concerned that we increase it here, and then the tribes request an increase, and it would just seesaw back and forth, and then before long we would have limits that are extreme. So let's talk more about it.

Chair Sizemore: Okay. Any further discussion before we vote? All right, those in favor of filing for further discussion say aye.

Commissioner Stearns: Aye.

Commissioner Gray: Aye.

Commissioner Troyer: Aye.

Commissioner Patterson: Aye.

Chair Sizemore: Aye. Those opposed? All right, clear as mud? All right.

Commissioner Patterson: Thank you for your patience.



Amend

WAC: 230-15-140 Wagering Limits for House Banked Card Games

September 2016 – Up for Discussion and Possible Filing
August 2016 – Study Session

Tab 7: September 2016 Commission Meeting Agenda.	Statutory Authority 9.46.070
Who Proposed the Rule Change?	
Executive Director Dolores Chiechi on behalf of the Recreational Gaming Association.	
Describe the Proposed Change	
<p>This change would authorize house-banked card game licensees to allow patrons to make wagers up to \$500 on house-banked card games.</p> <p>The current limitation set by the Commission of \$300 has been in place since early 2009. Before that, in 2004, the Commission limitation was increased to \$200 up from \$100. Before that (1997) house-banked card games opened up at \$25 dollars but increased to \$100 at a later date.</p> <p>Attachments:</p> <ul style="list-style-type: none"> • OTS version • Petition • 9.46.010 • 9.46.0282 • 9.46.070 	
Background	
<p>Currently, wagers on house-banked card games are limited to \$300. Most gambling revenues in house-banked card game licensees are derived from these same games. House-banked card game licensees are commercial entities that pay local gambling taxes. The Legislature authorized card games as a social past time as long as they were strictly controlled.</p> <p>Tribal Gaming Operations are limited to \$500. In contrast most class III gaming revenues are derived from Tribal Lottery Systems. Class III gaming revenues support Tribal government operations and support local economies and community impacts. The Indian Gaming Regulatory Act of 1988 authorized class III gaming for the purpose of promoting Tribal self-sufficiency.</p>	
Licensees Impacted Regulatory and Resource Impacts	
This change would impact approximately fifty house-banked card game licensees.	

There will be an increase in time spent by staff in reviewing internal controls and game rules and answering questions.

For licensees that increase wagering limits, there may be an increase in cheating cases that must be investigated by the Commission. In 2008, the total number of cheating cases investigated by us was 65. In 2009, the total number of cheating cases investigated by us was 45. In 2010, the total number of cheating cases investigated by us was 56.

Policy Considerations

Whether this increase is consistent with the Legislative Declaration. The legislature defined “social card game” in RCW 9.46.0282 and this same RCW limits the number of tables per establishment to fifteen and the Commission will set a limit on wagers.

Statements supporting and opposing

None

Staff Recommendation

File for further discussion

Proposed Effective Date for Rule Change

The petitioner did not specify an effective date.

AMENDATORY SECTION (Amending WSR 08-20-025, filed 9/19/08, effective 1/1/09)

WAC 230-15-140 Wagering limits for house-banked card games. (1) A single wager or a bonus wager for an odds-based pay out must not exceed ((three)) five 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.



Post Office Box 1787 ♦ Olympia, WA 98507-1787 ♦ 360-352-0514

July 20, 2016

Washington State Gambling Commission
P.O. Box 42400
Olympia, WA 98504-2400

**RE: Petition for Rule Change:
WAC 230-15-140 - Wagering limits for house-banked games**

Dear Commissioners:

On behalf of our members, we respectfully submit the attached rule change for your review and consideration.

This change would authorize licensees to allow patrons to make wagers up to \$500 on house-banked games offered in licensed, house banked card rooms.

Come January 2017, our members will need a mechanism to increase gambling receipts as they are unable to pass on the inevitable increased expenses:

- Proposed restructure and increase of WSGC license fees which may result in some HBCR licensees seeing up to a 150-200% increase;
- Passage of Initiative 1433 raising the minimum wage January 2, 2017 to \$11.00/hour; \$11.50 in 2018; \$12.00 in 2019 and \$13.50 in 2020 respectively; and,
- Mandated benefits: health care, paid sick/safe leave, and predictive scheduling initiatives

We anticipate letters of support from house banked card room patrons and licensees will ensue once the petitions appear on the Commission's formal agenda.

We request that the Commission consider filing this petition for further discussion.

Thank you in advance for your attention and consideration.

Sincerely,

Dolores A. Chiechi
Dolores A. Chiechi
Executive Director

Attachment

UNITED WE STAND – DIVIDED WE FOLD
WWW.RGA-WA.ORG

WAC 230-15-140 - REVISED

Wagering limits for house-banked card games.

(1) A single wager or a bonus wager for an odds-based pay out must not exceed ~~three~~ five 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.

From: [Dolores Chiechi](#)
To: [Griffin, Tina \(GMB\)](#); [Hunter, Amy \(GMB\)](#)
Cc: [Trujillo, Dave \(GMB\)](#)
Subject: RGA Rules Petition - HBCR Wager Limits
Date: Wednesday, July 20, 2016 1:26:54 PM
Attachments: [HBCR Wager Limits.docx](#)

Tina/Amy,
Please find the attached petition for rule change to WAC 230-15-140: wager limits for house-banked card games.

Please let me know anything more is required.

Thank you for your attention.

Dolores A Chiechi
Executive Director
Recreational Gaming Association
PO Box 1787
Olympia, WA 98507-1787
360-352-0514 office
WWW.RGA-WA.ORG

UNITED WE STAND - DIVIDED WE FOLD

RCW 9.46.010**Legislative declaration.**

The public policy of the state of Washington on gambling is to keep the criminal element out of gambling and to promote the social welfare of the people by limiting the nature and scope of gambling activities and by strict regulation and control.

It is hereby declared to be the policy of the legislature, recognizing the close relationship between professional gambling and organized crime, to restrain all persons from seeking profit from professional gambling activities in this state; to restrain all persons from patronizing such professional gambling activities; to safeguard the public against the evils induced by common gamblers and common gambling houses engaged in professional gambling; and at the same time, both to preserve the freedom of the press and to avoid restricting participation by individuals in activities and social pastimes, which activities and social pastimes are more for amusement rather than for profit, do not maliciously affect the public, and do not breach the peace.

The legislature further declares that the raising of funds for the promotion of bona fide charitable or nonprofit organizations is in the public interest as is participation in such activities and social pastimes as are hereinafter in this chapter authorized.

The legislature further declares that the conducting of bingo, raffles, and amusement games and the operation of punchboards, pull-tabs, card games and other social pastimes, when conducted pursuant to the provisions of this chapter and any rules and regulations adopted pursuant thereto, are hereby authorized, as are only such lotteries for which no valuable consideration has been paid or agreed to be paid as hereinafter in this chapter provided.

The legislature further declares that fishing derbies shall not constitute any form of gambling and shall not be considered as a lottery, a raffle, or an amusement game and shall not be subject to the provisions of this chapter or any rules and regulations adopted hereunder.

The legislature further declares that raffles authorized by the fish and wildlife commission involving hunting big game animals or wild turkeys shall not be subject to the provisions of this chapter or any rules and regulations adopted hereunder, with the exception of this section and RCW 9.46.400.

All factors incident to the activities authorized in this chapter shall be closely controlled, and the provisions of this chapter shall be liberally construed to achieve such end.

[1996 c 101 § 2; 1994 c 218 § 2; 1975 1st ex.s. c 259 § 1; 1974 ex.s. c 155 § 1; 1974 ex.s. c 135 § 1; 1973 1st ex.s. c 218 § 1.]

NOTES:

Findings—1996 c 101: See note following RCW 77.32.530.

Effective date—1994 c 218: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [April 1, 1994]." [1994 c 218 § 20.]

Severability—1974 ex.s. c 155: "If any provision of this 1974 amendatory act, or its application to any person or circumstance is held invalid, the remainder of the act, or the

application of the provision to other persons or circumstances is not affected." [**1974 ex.s. c 155 § 13; 1974 ex.s. c 135 § 13.**] Section 14 of the act, which provided for an effective date and that the act would be subject to referendum petition, was vetoed by the governor. The veto and the related message can be found in chapter 155, Laws of 1974 ex. sess.

RCW 9.46.070**Gambling commission—Powers and duties.****The commission shall have the following powers and duties:**

(1) To authorize and issue licenses for a period not to exceed one year to bona fide charitable or nonprofit organizations approved by the commission meeting the requirements of this chapter and any rules and regulations adopted pursuant thereto permitting said organizations to conduct bingo games, raffles, amusement games, and social card games, to utilize punchboards and pull-tabs in accordance with the provisions of this chapter and any rules and regulations adopted pursuant thereto and to revoke or suspend said licenses for violation of any provisions of this chapter or any rules and regulations adopted pursuant thereto: PROVIDED, That the commission shall not deny a license to an otherwise qualified applicant in an effort to limit the number of licenses to be issued: PROVIDED FURTHER, That the commission or director shall not issue, deny, suspend, or revoke any license because of considerations of race, sex, creed, color, or national origin: AND PROVIDED FURTHER, That the commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(2) To authorize and issue licenses for a period not to exceed one year to any person, association, or organization operating a business primarily engaged in the selling of items of food or drink for consumption on the premises, approved by the commission meeting the requirements of this chapter and any rules and regulations adopted pursuant thereto permitting said person, association, or organization to utilize punchboards and pull-tabs and to conduct social card games as a commercial stimulant in accordance with the provisions of this chapter and any rules and regulations adopted pursuant thereto and to revoke or suspend said licenses for violation of any provisions of this chapter and any rules and regulations adopted pursuant thereto: PROVIDED, That the commission shall not deny a license to an otherwise qualified applicant in an effort to limit the number of licenses to be issued: PROVIDED FURTHER, That the commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(3) To authorize and issue licenses for a period not to exceed one year to any person, association, or organization approved by the commission meeting the requirements of this chapter and meeting the requirements of any rules and regulations adopted by the commission pursuant to this chapter as now or hereafter amended, permitting said person, association, or organization to conduct or operate amusement games in such manner and at such locations as the commission may determine. The commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(4) To authorize, require, and issue, for a period not to exceed one year, such licenses as the commission may by rule provide, to any person, association, or organization to engage in the selling, distributing, or otherwise supplying or in the manufacturing of devices for use within this state for those activities authorized by this chapter. The commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(5) To establish a schedule of annual license fees for carrying on specific gambling activities upon the premises, and for such other activities as may be licensed by the commission, which fees shall provide to the commission not less than an amount of money adequate to cover all costs incurred by the commission relative to licensing under this chapter and the enforcement by the commission of the provisions of this chapter and rules and regulations adopted pursuant thereto: PROVIDED, That all licensing fees shall be submitted

with an application therefor and such portion of said fee as the commission may determine, based upon its cost of processing and investigation, shall be retained by the commission upon the withdrawal or denial of any such license application as its reasonable expense for processing the application and investigation into the granting thereof: PROVIDED FURTHER, That if in a particular case the basic license fee established by the commission for a particular class of license is less than the commission's actual expenses to investigate that particular application, the commission may at any time charge to that applicant such additional fees as are necessary to pay the commission for those costs. The commission may decline to proceed with its investigation and no license shall be issued until the commission has been fully paid therefor by the applicant: AND PROVIDED FURTHER, That the commission may establish fees for the furnishing by it to licensees of identification stamps to be affixed to such devices and equipment as required by the commission and for such other special services or programs required or offered by the commission, the amount of each of these fees to be not less than is adequate to offset the cost to the commission of the stamps and of administering their dispersal to licensees or the cost of administering such other special services, requirements or programs;

(6) To prescribe the manner and method of payment of taxes, fees and penalties to be paid to or collected by the commission;

(7) To require that applications for all licenses contain such information as may be required by the commission: PROVIDED, That all persons (a) having a managerial or ownership interest in any gambling activity, or the building in which any gambling activity occurs, or the equipment to be used for any gambling activity, or (b) participating as an employee in the operation of any gambling activity, shall be listed on the application for the license and the applicant shall certify on the application, under oath, that the persons named on the application are all of the persons known to have an interest in any gambling activity, building, or equipment by the person making such application: PROVIDED FURTHER, That the commission shall require fingerprinting and national criminal history background checks on any persons seeking licenses, certifications, or permits under this chapter or of any person holding an interest in any gambling activity, building, or equipment to be used therefor, or of any person participating as an employee in the operation of any gambling activity. All national criminal history background checks shall be conducted using fingerprints submitted to the United States department of justice-federal bureau of investigation. The commission must establish rules to delineate which persons named on the application are subject to national criminal history background checks. In identifying these persons, the commission must take into consideration the nature, character, size, and scope of the gambling activities requested by the persons making such applications;

(8) To require that any license holder maintain records as directed by the commission and submit such reports as the commission may deem necessary;

(9) To require that all income from bingo games, raffles, and amusement games be recorded and reported as established by rule or regulation of the commission to the extent deemed necessary by considering the scope and character of the gambling activity in such a manner that will disclose gross income from any gambling activity, amounts received from each player, the nature and value of prizes, and the fact of distributions of such prizes to the winners thereof;

(10) To regulate and establish maximum limitations on income derived from bingo. In establishing limitations pursuant to this subsection the commission shall take into account (a) the nature, character, and scope of the activities of the licensee; (b) the source of all other

income of the licensee; and (c) the percentage or extent to which income derived from bingo is used for charitable, as distinguished from nonprofit, purposes. However, the commission's powers and duties granted by this subsection are discretionary and not mandatory;

(11) To regulate and establish the type and scope of and manner of conducting the gambling activities authorized by this chapter, including but not limited to, the extent of wager, money, or other thing of value which may be wagered or contributed or won by a player in any such activities;

(12) To regulate the collection of and the accounting for the fee which may be imposed by an organization, corporation, or person licensed to conduct a social card game on a person desiring to become a player in a social card game in accordance with RCW 9.46.0282;

(13) To cooperate with and secure the cooperation of county, city, and other local or state agencies in investigating any matter within the scope of its duties and responsibilities;

(14) In accordance with RCW 9.46.080, to adopt such rules and regulations as are deemed necessary to carry out the purposes and provisions of this chapter. All rules and regulations shall be adopted pursuant to the administrative procedure act, chapter 34.05 RCW;

(15) To set forth for the perusal of counties, city-counties, cities and towns, model ordinances by which any legislative authority thereof may enter into the taxing of any gambling activity authorized by this chapter;

(16)(a) To establish and regulate a maximum limit on salaries or wages which may be paid to persons employed in connection with activities conducted by bona fide charitable or nonprofit organizations and authorized by this chapter, where payment of such persons is allowed, and to regulate and establish maximum limits for other expenses in connection with such authorized activities, including but not limited to rent or lease payments. However, the commissioner's powers and duties granted by this subsection are discretionary and not mandatory.

(b) In establishing these maximum limits the commission shall take into account the amount of income received, or expected to be received, from the class of activities to which the limits will apply and the amount of money the games could generate for authorized charitable or nonprofit purposes absent such expenses. The commission may also take into account, in its discretion, other factors, including but not limited to, the local prevailing wage scale and whether charitable purposes are benefited by the activities;

(17) To authorize, require, and issue for a period not to exceed one year such licenses or permits, for which the commission may by rule provide, to any person to work for any operator of any gambling activity authorized by this chapter in connection with that activity, or any manufacturer, supplier, or distributor of devices for those activities in connection with such business. The commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission. The commission shall not require that persons working solely as volunteers in an authorized activity conducted by a bona fide charitable or bona fide nonprofit organization, who receive no compensation of any kind for any purpose from that organization, and who have no managerial or supervisory responsibility in connection with that activity, be licensed to do such work. The commission may require that licensees employing such unlicensed volunteers submit to the commission periodically a list of the names, addresses, and dates of birth of the volunteers. If any volunteer is not approved by the commission, the commission may require that the licensee not allow that person to work in connection with the licensed activity;

(18) To publish and make available at the office of the commission or elsewhere to anyone requesting it a list of the commission licensees, including the name, address, type of license, and license number of each licensee;

(19) To establish guidelines for determining what constitutes active membership in bona fide nonprofit or charitable organizations for the purposes of this chapter;

(20) To renew the license of every person who applies for renewal within six months after being honorably discharged, removed, or released from active military service in the armed forces of the United States upon payment of the renewal fee applicable to the license period, if there is no cause for denial, suspension, or revocation of the license;

(21) To issue licenses under subsections (1) through (4) of this section that are valid for a period of up to eighteen months, if it chooses to do so, in order to transition to the use of the business licensing services program through the department of revenue; and

(22) To perform all other matters and things necessary to carry out the purposes and provisions of this chapter.

[**2012 c 116 § 1; 2007 c 206 § 1; 2002 c 119 § 1; 1999 c 143 § 6; 1993 c 344 § 1; 1987 c 4 § 38; 1981 c 139 § 3.** Prior: **1977 ex.s. c 326 § 3; 1977 ex.s. c 76 § 2; 1975-'76 2nd ex.s. c 87 § 4; 1975 1st ex.s. c 259 § 4; 1974 ex.s. c 155 § 4; 1974 ex.s. c 135 § 4; 1973 2nd ex.s. c 41 § 4; 1973 1st ex.s. c 218 § 7.**]

NOTES:

Effective date—1993 c 344: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect June 1, 1993." [**1993 c 344 § 2.**]

Severability—1981 c 139: "If any provision of this amendatory act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [**1981 c 139 § 19.**]

Severability—1974 ex.s. c 155: See note following RCW **9.46.010**.

*Enforcement—Commission as a law enforcement agency: RCW **9.46.210**.*

RCW 9.46.0282**"Social card game."**

"Social card game" as used in this chapter means a card game that constitutes gambling and is authorized by the commission under RCW 9.46.070. Authorized card games may include a house-banked or a player-funded banked card game. No one may participate in the card game or have an interest in the proceeds of the card game who is not a player or a person licensed by the commission to participate in social card games. There shall be two or more participants in the card game who are players or persons licensed by the commission. The card game must be played in accordance with the rules adopted by the commission under RCW 9.46.070, which shall include but not be limited to rules for the collection of fees, limitation of wagers, and management of player funds. The number of tables authorized shall be set by the commission but shall not exceed a total of fifteen separate tables per establishment.

[1997 c 118 § 1.]

8. Petition from Recreational Gaming Association - Wagering Limits for House-Banked Card Rooms

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

Director Trujillo: Yes, Commissioners. Thank you. The next item in your packet is up for discussion. And it is the wager increase petition by the Recreational Gaming Association to increase the wager limits to WAC 230-15-140 from \$300 to \$500. The rule itself hasn't changed from when you filed it last month. Again, it's just simply replacing "3" in the rule language with "5".

What has happened since the last Commission meeting is the Recreational Gaming Association has submitted a request for the petition to be withdrawn. I did have a chance to speak with Dolores a little bit about that request this morning. I believe that she would like to share some thoughts with you, if you're open to that. Otherwise the rule petition is up for discussion this month. You can hold any action to November's meeting, but there is the request to withdraw the petition today.

Chair Sizemore: All right, thank you. Dolores or Victor.

Mr. Mena: Yeah, Dolores, she bowed out on me on this one.

Chair Sizemore: Yeah.

Mr. Mena: Victor Mena again. I think I'm on the record, right? We saw the discussion at the last meeting and were very cognitive of the fact that there is some angst with filing the rule. So at this point we felt it would be in our best interest to pull the rule, based on what we saw at the last meeting. That was our discussion.

Chair Sizemore: Okay, okay.

Mr. Mena: Okay.

Chair Sizemore: Thank you, sir. Any further public input? All right. So there are some options. What is the pleasure of the Commission?

Commissioner Patterson: Mr. Chair, I'd like to ask some questions. What are the pros and cons associated with allowing this to move forward with further discussion versus accepting the request for withdrawal from my colleagues' point of view? I'm interested in what you think about that.

Commissioner Troyer: Well if they don't have anything else to say, I don't think there's anything more to talk about.

Commissioner Patterson: Yeah.

Commissioner Troyer: They want to withdraw it.

Commissioner Gray: My understanding is that they want to withdraw it because we might not pass it.

Commissioner Patterson: I wish that you would come back up and explain once again why you want to withdraw it. Would you mind – is that all right, Mr. Chair?

Chair Sizemore: Sure.

Commissioner Patterson: Yeah, could you just be a little bit more direct?

Chair Sizemore: Within limits.

Mr. Mena: Within limits, yes.

Commissioner Patterson: Thank you, Mr. Chair.

Mr. Mena: You know, I guess history has taught us some things. In the past, and I mean way back in the past, we've filed for certain rules and sometimes they've met opposition and they were denied.

And then trying to file the rule later on, even within a couple of year's time, we have found that the answer was why are we talking about this again. And that is our fear, to be frank.

Commissioner Patterson: So there are things going on that might affect this particular request in a way that maybe we don't know all the answers to right now?

Mr. Mena: No, no, no. Mainly we don't want to be told no as an industry, and not have the opportunity to ask in the future. And that's really our fear.

Commissioner Patterson: I see.

Mr. Mena: Yeah. I mean there's really not too much more than that.

Commissioner Patterson: Okay.

Chair Sizemore: So with time, there may be a more robust rationale for making --

Mr. Mena: Well there could be an economic change.

Chair Sizemore: Right.

Mr. Mena: There could be an industry change we're not aware of. But I just think that it's better to pull something that we felt that Commissioners were not willing to do. So --

Chair Sizemore: Okay.

Mr. Mena: Yeah.

Chair Sizemore: All right, thank you. Monty, you had a comment?

Mr. Harmon: Good morning, Commissioners. Monty Harmon of Evergreen Gaming. I was not privileged to be here last month, but when the petition was filed, I was encouraged, and I would like to see further discussion, especially with the upcoming election and the initiative for minimum wage that's on the ballot. If that passes, the impact might sway the Commissioners decision to consider the future of the industry. And with that minimum wage increase, how our operations will be impacted.

I would be prepared next month to come forward and provide some financial information, given the status quo, what I see the impact of that initiative being. I don't see any reason to do that until it's passed. If it does, there's a 60% chance. That would be one reason to continue the discussion into the future.

One other point. We do have players that will play \$300 maximums, and then bet a second spot. So the market is there for customers that might want to just buy \$500 on a single hand. And that would impact operations as well.

Chair Sizemore: Okay.

Mr. Harmon: Thank you, sir.

Chair Sizemore: Thank you.

Commissioner Patterson: I have a question for Monty.

Chair Sizemore: For – yeah.

Commissioner Patterson: Monty, you're saying that because of the proposal on the ballot regarding minimum wage, it might be a good idea to allow this particular proposal to continue to move forward for another month because we might want to have some discussion regarding it after the election, as opposed to the other notion, and that is to withdraw this particular proposal and perhaps file it again, maybe in the same way or maybe in a different way, at a later time. We have to decide what we want

to do here. Are you saying hold on for another month, or are you agreeing that maybe we should just withdraw this particular proposal and hold open the opportunity for submitting it again in the future?

Mr. Harmon: My request was to go ahead and go forward. I'm not with the RGA, and I don't necessarily appreciate all of the innuendos with the filings and re-filings. But I do understand the timing. The minimum wage impact would be January 1, as I understand it. So for filing purposes, the timing on this particular petition works for being considered in November.

Chair Sizemore: Okay.

Mr. Harmon: Thank you.

Chair Sizemore: I guess my thoughts are –

Commissioner Troyer: Why don't you guys work together more on these things, to be honest. I mean they'd like to withdraw their petition, and everybody saw what direction we were going in, and they should be allowed to withdraw their petition.

Commissioner Gray: I agree. I understand that the RGA really wants to move ahead on this, or they would like to have a \$500 limit. I also understand that with timing, that by withdrawing this motion, it allows them to come back again at a later date. And I think we're going to see it. I think we're going to have that proposal back on our plate. And I think we should just go ahead and allow them to withdraw it. This is what they want to do.

Chair Sizemore: Okay.

Commissioner Patterson: So I would say that I agree. I also wanted to express the fact that I had some concerns that weren't particularly well articulated about whether or not we should be looking at, or thinking about, how this might affect problem gambling. Maybe discussing together whether or not we thought that it was relevant to make a connection there. And we really haven't had an opportunity to do that. So I had that concern.

So I would have to say that I'm glad to see that they're asking for this petition to be withdrawn. It gives us more time to do, maybe the right way.

Chair Sizemore: Sure.

Commissioner Troyer: Chair –

Chair Sizemore: Yes.

Commissioner Troyer: I make a motion that we accept the withdrawal of their petition.

Chair Sizemore: Okay. Is there a second?

Commissioner Stearns: I'll second.

Chair Sizemore: All right. And the rationale is they're asking to withdraw the wagering questions as not ready for prime time, maybe. All right, any further discussion on it?

Commissioner Patterson: I would just like to say when it comes back, I would like to talk to you all about the extent to which making changes like this might be affecting the problem gambling issue in the State of Washington. Thank you.

Chair Sizemore: Okay, all right. Dave, any more input before we decide this?

Director Trujillo: No, just a slight point of clarification for Commissioner Troyer. The Recreational Gaming Association represents many house-banked card rooms, but many are not members. Mr. Harmon is not a member of the –

Commissioner Troyer: I understand.

Director Trujillo: -- Recreational Gaming Association, and that may share with you why they might be at odds occasionally.

Commissioner Troyer: Oh, I'm aware.

Director Trujillo: Okay, sir. With that, Mr. Chair, I have no more input, unless you have specific questions.

Chair Sizemore: Okay, thank you. If there's no more discussion, then there's been a motion to accept the withdrawal from RGA, and it's been seconded. All those in favor say aye.

Commissioner Gray: Aye.

Commissioner Patterson: Aye.

Commissioner Stearns: Aye.

Commissioner Troyer: Aye.

Chair Sizemore: Aye. Those opposed? Motion is passed to withdraw the rule change.

Director Trujillo: Thank you, Mr. Chair.



Amend

WAC: 230-15-140 Wagering Limits for House Banked Card Games

October 2016 – Discussion
September 2016 – Filed for Further Discussion
August 2016 – Study Session

Tab 8: October 2016 Commission Meeting Agenda. Statutory Authority 9.46.070

Who Proposed the Rule Change?

Executive Director Dolores Chiechi on behalf of the Recreational Gaming Association (RGA).

Describe the Proposed Change

Bold/Underline = Changes made after the September 2016 Commission Meeting

This change would authorize house-banked card game licensees to allow patrons to make wagers up to \$500 on house-banked card games.

The current limitation set by the Commission of \$300 has been in place since early 2009. Before that, in 2004, the Commission limitation was increased to \$200 up from \$100. Before that (1997) house-banked card games opened up at \$25 dollars but increased to \$100 at a later date.

Attachments:

- Petition received from RGA
- 9.46.010
- 9.46.0282
- 9.46.070
- **Email(s)**

Background

Currently, wagers on house-banked card games are limited to \$300. Most gambling revenues in house-banked card game licensees are derived from these same games. House-banked card game licensees are commercial entities that pay local gambling taxes. The Legislature authorized card games as a social past time as long as they were strictly controlled.

Tribal Gaming Operations are limited to \$500. In contrast most class III gaming revenues are derived from Tribal Lottery Systems. Class III gaming revenues support Tribal government operations and support local economies and community impacts. The Indian Gaming Regulatory Act of 1988 authorized class III gaming for the purpose of promoting Tribal self-sufficiency.

Licensees Impacted
Regulatory and Resource Impacts

This change would impact approximately fifty house-banked card game licensees.

There **may** be an increase in time spent by staff in reviewing internal controls and game rules and answering questions.

For licensees that increase wagering limits, there may be an increase in cheating cases that must be investigated by the Commission. In 2008, the total number of cheating cases investigated by us was 65. In 2009, the total number of cheating cases investigated by us was 45. In 2010, the total number of cheating cases investigated by us was 56.

For licensees that increase wagering limits, there may be an increase in the amount of money paid to the WA Department of Revenue (DOR) for problem gambling. Since 2005, persons operating contests of chance (including card games) are subject to DOR's B&O tax on the gross income of the business derived from contests of chance. There are two classifications. Effective August 2015, the rate was 0.015% if less than \$50,000 a year and 0.0163% if more than \$50,000. These revenues are used for the purposes of the Problem and Pathological Gambling Treatment Program administered by the Department of Social and Health Services.

Policy Considerations

Whether this increase is consistent with the Legislative Declaration. The legislature defined "social card game" in RCW 9.46.0282 and this same RCW limits the number of tables per establishment to fifteen and the Commission will set a limit on wagers.

Statements supporting and opposing

At the September Commission Meeting, Dolores Chiechi, Executive Director of the RGA, Victor Mena and George Teeny, officers of the RGA and HBCR operators testified in favor of the petition. See attachments.

Staff Recommendation

Further Discussion

Proposed Effective Date for Rule Change

Effective 31 days from filing

AMENDATORY SECTION (Amending WSR 08-20-025, filed 9/19/08, effective 1/1/09)

WAC 230-15-140 Wagering limits for house-banked card games. (1) A single wager or a bonus wager for an odds-based pay out must not exceed ((three)) five 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.



Post Office Box 1787 ♦ Olympia, WA 98507-1787 ♦ 360-352-0514

July 20, 2016

Washington State Gambling Commission
P.O. Box 42400
Olympia, WA 98504-2400

**RE: Petition for Rule Change:
WAC 230-15-140 - Wagering limits for house-banked games**

Dear Commissioners:

On behalf of our members, we respectfully submit the attached rule change for your review and consideration.

This change would authorize licensees to allow patrons to make wagers up to \$500 on house-banked games offered in licensed, house banked card rooms.

Come January 2017, our members will need a mechanism to increase gambling receipts as they are unable to pass on the inevitable increased expenses:

- Proposed restructure and increase of WSGC license fees which may result in some HBCR licensees seeing up to a 150-200% increase;
- Passage of Initiative 1433 raising the minimum wage January 2, 2017 to \$11.00/hour; \$11.50 in 2018; \$12.00 in 2019 and \$13.50 in 2020 respectively; and,
- Mandated benefits: health care, paid sick/safe leave, and predictive scheduling initiatives

We anticipate letters of support from house banked card room patrons and licensees will ensue once the petitions appear on the Commission's formal agenda.

We request that the Commission consider filing this petition for further discussion.

Thank you in advance for your attention and consideration.

Sincerely,

Dolores A. Chiechi
Dolores A. Chiechi
Executive Director

Attachment

UNITED WE STAND – DIVIDED WE FOLD
WWW.RGA-WA.ORG

WAC 230-15-140 - REVISED

Wagering limits for house-banked card games.

(1) A single wager or a bonus wager for an odds-based pay out must not exceed ~~three~~ five 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.

From: [Dolores Chiechi](#)
To: [Griffin, Tina \(GMB\)](#); [Hunter, Amy \(GMB\)](#)
Cc: [Trujillo, Dave \(GMB\)](#)
Subject: RGA Rules Petition - HBCR Wager Limits
Date: Wednesday, July 20, 2016 1:26:54 PM
Attachments: [HBCR Wager Limits.docx](#)

Tina/Amy,
Please find the attached petition for rule change to WAC 230-15-140: wager limits for house-banked card games.

Please let me know anything more is required.

Thank you for your attention.

Dolores A Chiechi
Executive Director
Recreational Gaming Association
PO Box 1787
Olympia, WA 98507-1787
360-352-0514 office
WWW.RGA-WA.ORG

UNITED WE STAND - DIVIDED WE FOLD

RCW 9.46.010**Legislative declaration.**

The public policy of the state of Washington on gambling is to keep the criminal element out of gambling and to promote the social welfare of the people by limiting the nature and scope of gambling activities and by strict regulation and control.

It is hereby declared to be the policy of the legislature, recognizing the close relationship between professional gambling and organized crime, to restrain all persons from seeking profit from professional gambling activities in this state; to restrain all persons from patronizing such professional gambling activities; to safeguard the public against the evils induced by common gamblers and common gambling houses engaged in professional gambling; and at the same time, both to preserve the freedom of the press and to avoid restricting participation by individuals in activities and social pastimes, which activities and social pastimes are more for amusement rather than for profit, do not maliciously affect the public, and do not breach the peace.

The legislature further declares that the raising of funds for the promotion of bona fide charitable or nonprofit organizations is in the public interest as is participation in such activities and social pastimes as are hereinafter in this chapter authorized.

The legislature further declares that the conducting of bingo, raffles, and amusement games and the operation of punchboards, pull-tabs, card games and other social pastimes, when conducted pursuant to the provisions of this chapter and any rules and regulations adopted pursuant thereto, are hereby authorized, as are only such lotteries for which no valuable consideration has been paid or agreed to be paid as hereinafter in this chapter provided.

The legislature further declares that fishing derbies shall not constitute any form of gambling and shall not be considered as a lottery, a raffle, or an amusement game and shall not be subject to the provisions of this chapter or any rules and regulations adopted hereunder.

The legislature further declares that raffles authorized by the fish and wildlife commission involving hunting big game animals or wild turkeys shall not be subject to the provisions of this chapter or any rules and regulations adopted hereunder, with the exception of this section and RCW 9.46.400.

All factors incident to the activities authorized in this chapter shall be closely controlled, and the provisions of this chapter shall be liberally construed to achieve such end.

[1996 c 101 § 2; 1994 c 218 § 2; 1975 1st ex.s. c 259 § 1; 1974 ex.s. c 155 § 1; 1974 ex.s. c 135 § 1; 1973 1st ex.s. c 218 § 1.]

NOTES:

Findings—1996 c 101: See note following RCW 77.32.530.

Effective date—1994 c 218: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [April 1, 1994]." [1994 c 218 § 20.]

Severability—1974 ex.s. c 155: "If any provision of this 1974 amendatory act, or its application to any person or circumstance is held invalid, the remainder of the act, or the

application of the provision to other persons or circumstances is not affected." [**1974 ex.s. c 155 § 13; 1974 ex.s. c 135 § 13.**] Section 14 of the act, which provided for an effective date and that the act would be subject to referendum petition, was vetoed by the governor. The veto and the related message can be found in chapter 155, Laws of 1974 ex. sess.

RCW 9.46.070**Gambling commission—Powers and duties.****The commission shall have the following powers and duties:**

(1) To authorize and issue licenses for a period not to exceed one year to bona fide charitable or nonprofit organizations approved by the commission meeting the requirements of this chapter and any rules and regulations adopted pursuant thereto permitting said organizations to conduct bingo games, raffles, amusement games, and social card games, to utilize punchboards and pull-tabs in accordance with the provisions of this chapter and any rules and regulations adopted pursuant thereto and to revoke or suspend said licenses for violation of any provisions of this chapter or any rules and regulations adopted pursuant thereto: PROVIDED, That the commission shall not deny a license to an otherwise qualified applicant in an effort to limit the number of licenses to be issued: PROVIDED FURTHER, That the commission or director shall not issue, deny, suspend, or revoke any license because of considerations of race, sex, creed, color, or national origin: AND PROVIDED FURTHER, That the commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(2) To authorize and issue licenses for a period not to exceed one year to any person, association, or organization operating a business primarily engaged in the selling of items of food or drink for consumption on the premises, approved by the commission meeting the requirements of this chapter and any rules and regulations adopted pursuant thereto permitting said person, association, or organization to utilize punchboards and pull-tabs and to conduct social card games as a commercial stimulant in accordance with the provisions of this chapter and any rules and regulations adopted pursuant thereto and to revoke or suspend said licenses for violation of any provisions of this chapter and any rules and regulations adopted pursuant thereto: PROVIDED, That the commission shall not deny a license to an otherwise qualified applicant in an effort to limit the number of licenses to be issued: PROVIDED FURTHER, That the commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(3) To authorize and issue licenses for a period not to exceed one year to any person, association, or organization approved by the commission meeting the requirements of this chapter and meeting the requirements of any rules and regulations adopted by the commission pursuant to this chapter as now or hereafter amended, permitting said person, association, or organization to conduct or operate amusement games in such manner and at such locations as the commission may determine. The commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(4) To authorize, require, and issue, for a period not to exceed one year, such licenses as the commission may by rule provide, to any person, association, or organization to engage in the selling, distributing, or otherwise supplying or in the manufacturing of devices for use within this state for those activities authorized by this chapter. The commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(5) To establish a schedule of annual license fees for carrying on specific gambling activities upon the premises, and for such other activities as may be licensed by the commission, which fees shall provide to the commission not less than an amount of money adequate to cover all costs incurred by the commission relative to licensing under this chapter and the enforcement by the commission of the provisions of this chapter and rules and regulations adopted pursuant thereto: PROVIDED, That all licensing fees shall be submitted

with an application therefor and such portion of said fee as the commission may determine, based upon its cost of processing and investigation, shall be retained by the commission upon the withdrawal or denial of any such license application as its reasonable expense for processing the application and investigation into the granting thereof: PROVIDED FURTHER, That if in a particular case the basic license fee established by the commission for a particular class of license is less than the commission's actual expenses to investigate that particular application, the commission may at any time charge to that applicant such additional fees as are necessary to pay the commission for those costs. The commission may decline to proceed with its investigation and no license shall be issued until the commission has been fully paid therefor by the applicant: AND PROVIDED FURTHER, That the commission may establish fees for the furnishing by it to licensees of identification stamps to be affixed to such devices and equipment as required by the commission and for such other special services or programs required or offered by the commission, the amount of each of these fees to be not less than is adequate to offset the cost to the commission of the stamps and of administering their dispersal to licensees or the cost of administering such other special services, requirements or programs;

(6) To prescribe the manner and method of payment of taxes, fees and penalties to be paid to or collected by the commission;

(7) To require that applications for all licenses contain such information as may be required by the commission: PROVIDED, That all persons (a) having a managerial or ownership interest in any gambling activity, or the building in which any gambling activity occurs, or the equipment to be used for any gambling activity, or (b) participating as an employee in the operation of any gambling activity, shall be listed on the application for the license and the applicant shall certify on the application, under oath, that the persons named on the application are all of the persons known to have an interest in any gambling activity, building, or equipment by the person making such application: PROVIDED FURTHER, That the commission shall require fingerprinting and national criminal history background checks on any persons seeking licenses, certifications, or permits under this chapter or of any person holding an interest in any gambling activity, building, or equipment to be used therefor, or of any person participating as an employee in the operation of any gambling activity. All national criminal history background checks shall be conducted using fingerprints submitted to the United States department of justice-federal bureau of investigation. The commission must establish rules to delineate which persons named on the application are subject to national criminal history background checks. In identifying these persons, the commission must take into consideration the nature, character, size, and scope of the gambling activities requested by the persons making such applications;

(8) To require that any license holder maintain records as directed by the commission and submit such reports as the commission may deem necessary;

(9) To require that all income from bingo games, raffles, and amusement games be recorded and reported as established by rule or regulation of the commission to the extent deemed necessary by considering the scope and character of the gambling activity in such a manner that will disclose gross income from any gambling activity, amounts received from each player, the nature and value of prizes, and the fact of distributions of such prizes to the winners thereof;

(10) To regulate and establish maximum limitations on income derived from bingo. In establishing limitations pursuant to this subsection the commission shall take into account (a) the nature, character, and scope of the activities of the licensee; (b) the source of all other

income of the licensee; and (c) the percentage or extent to which income derived from bingo is used for charitable, as distinguished from nonprofit, purposes. However, the commission's powers and duties granted by this subsection are discretionary and not mandatory;

(11) To regulate and establish the type and scope of and manner of conducting the gambling activities authorized by this chapter, including but not limited to, the extent of wager, money, or other thing of value which may be wagered or contributed or won by a player in any such activities;

(12) To regulate the collection of and the accounting for the fee which may be imposed by an organization, corporation, or person licensed to conduct a social card game on a person desiring to become a player in a social card game in accordance with RCW 9.46.0282;

(13) To cooperate with and secure the cooperation of county, city, and other local or state agencies in investigating any matter within the scope of its duties and responsibilities;

(14) In accordance with RCW 9.46.080, to adopt such rules and regulations as are deemed necessary to carry out the purposes and provisions of this chapter. All rules and regulations shall be adopted pursuant to the administrative procedure act, chapter 34.05 RCW;

(15) To set forth for the perusal of counties, city-counties, cities and towns, model ordinances by which any legislative authority thereof may enter into the taxing of any gambling activity authorized by this chapter;

(16)(a) To establish and regulate a maximum limit on salaries or wages which may be paid to persons employed in connection with activities conducted by bona fide charitable or nonprofit organizations and authorized by this chapter, where payment of such persons is allowed, and to regulate and establish maximum limits for other expenses in connection with such authorized activities, including but not limited to rent or lease payments. However, the commissioner's powers and duties granted by this subsection are discretionary and not mandatory.

(b) In establishing these maximum limits the commission shall take into account the amount of income received, or expected to be received, from the class of activities to which the limits will apply and the amount of money the games could generate for authorized charitable or nonprofit purposes absent such expenses. The commission may also take into account, in its discretion, other factors, including but not limited to, the local prevailing wage scale and whether charitable purposes are benefited by the activities;

(17) To authorize, require, and issue for a period not to exceed one year such licenses or permits, for which the commission may by rule provide, to any person to work for any operator of any gambling activity authorized by this chapter in connection with that activity, or any manufacturer, supplier, or distributor of devices for those activities in connection with such business. The commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission. The commission shall not require that persons working solely as volunteers in an authorized activity conducted by a bona fide charitable or bona fide nonprofit organization, who receive no compensation of any kind for any purpose from that organization, and who have no managerial or supervisory responsibility in connection with that activity, be licensed to do such work. The commission may require that licensees employing such unlicensed volunteers submit to the commission periodically a list of the names, addresses, and dates of birth of the volunteers. If any volunteer is not approved by the commission, the commission may require that the licensee not allow that person to work in connection with the licensed activity;

(18) To publish and make available at the office of the commission or elsewhere to anyone requesting it a list of the commission licensees, including the name, address, type of license, and license number of each licensee;

(19) To establish guidelines for determining what constitutes active membership in bona fide nonprofit or charitable organizations for the purposes of this chapter;

(20) To renew the license of every person who applies for renewal within six months after being honorably discharged, removed, or released from active military service in the armed forces of the United States upon payment of the renewal fee applicable to the license period, if there is no cause for denial, suspension, or revocation of the license;

(21) To issue licenses under subsections (1) through (4) of this section that are valid for a period of up to eighteen months, if it chooses to do so, in order to transition to the use of the business licensing services program through the department of revenue; and

(22) To perform all other matters and things necessary to carry out the purposes and provisions of this chapter.

[**2012 c 116 § 1; 2007 c 206 § 1; 2002 c 119 § 1; 1999 c 143 § 6; 1993 c 344 § 1; 1987 c 4 § 38; 1981 c 139 § 3.** Prior: **1977 ex.s. c 326 § 3; 1977 ex.s. c 76 § 2; 1975-'76 2nd ex.s. c 87 § 4; 1975 1st ex.s. c 259 § 4; 1974 ex.s. c 155 § 4; 1974 ex.s. c 135 § 4; 1973 2nd ex.s. c 41 § 4; 1973 1st ex.s. c 218 § 7.**]

NOTES:

Effective date—1993 c 344: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect June 1, 1993." [**1993 c 344 § 2.**]

Severability—1981 c 139: "If any provision of this amendatory act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [**1981 c 139 § 19.**]

Severability—1974 ex.s. c 155: See note following RCW **9.46.010**.

Enforcement—Commission as a law enforcement agency: RCW **9.46.210**.

RCW 9.46.0282**"Social card game."**

"Social card game" as used in this chapter means a card game that constitutes gambling and is authorized by the commission under RCW 9.46.070. Authorized card games may include a house-banked or a player-funded banked card game. No one may participate in the card game or have an interest in the proceeds of the card game who is not a player or a person licensed by the commission to participate in social card games. There shall be two or more participants in the card game who are players or persons licensed by the commission. The card game must be played in accordance with the rules adopted by the commission under RCW 9.46.070, which shall include but not be limited to rules for the collection of fees, limitation of wagers, and management of player funds. The number of tables authorized shall be set by the commission but shall not exceed a total of fifteen separate tables per establishment.

[1997 c 118 § 1.]

From: [David Fretz](#)
To: [Griffin, Tina \(GMB\)](#)
Subject: Wager Limit Increase to \$500
Date: Thursday, September 01, 2016 9:51:23 AM
Attachments: [image001.jpg](#)

Tina,

Please accept this note as support for the rule change increasing wagering limits from \$300 to \$500. It has been many years since the wager limit has been increased. Initiative 1433 will be on the November ballot and is likely to pass. This Initiative will increase minimum wage 16% from \$9.47 to \$11.00 on January 1, 2017 and includes step increases to \$13.50 by 2020. The impact to our businesses will be significant since the compression effect of this increase will require us to raise wages in other area such as janitorial, cooks, security, surveillance and floor supervision. The total impact of this wage increase for a typical House Banked Card Room is likely to exceed \$200,000 in 2017. Our food and beverage prices will need to increase. However, without this bet limit adjustment, we'll be unable to increase our revenues enough to cover the impact of this change to minimum wage.

Regards,



David Fretz


President - Great American Gaming Corporation
12715 4th Ave W.
Everett, WA 98204
253.480.3000 Ext. 100

Notice Regarding Confidentiality of Transmission

This message is intended only for the person to whom it is addressed and may contain information that is privileged and confidential. If you are not the intended recipient, you are hereby notified that any dissemination or copying of this is prohibited. Please notify us of the error in communication by telephone (604) 303-1000 or by return e-mail and destroy all copies of this communication. Thank you.

WSGC's Response to Question 2

Maverick Gaming LLC is a Washington Limited Liability Company, per a search of the Washington Secretary of State's website on January 29, 2023, <https://ccfs.sos.wa.gov/#/BusinessSearch/BusinessInformation>.

 Corporations and Charities Filing System

Business Information

BUSINESS INFORMATION

Business Name: MAVERICK GAMING LLC	UBI Number: 604 465 046
Business Type: WA LIMITED LIABILITY COMPANY	Business Status: ACTIVE
Principal Office Street Address: 12530 NE 144TH ST, KIRKLAND, WA, 98034-4508, UNITED STATES	Principal Office Mailing Address: 12530 NE 144TH ST, KIRKLAND, WA, 98034-4508, UNITED STATES
Expiration Date: 05/31/2023	Jurisdiction: UNITED STATES, WASHINGTON
Formation/ Registration Date: 05/21/2019	Period of Duration: PERPETUAL
Inactive Date:	Nature of Business: ANY LAWFUL PURPOSE

REGISTERED AGENT INFORMATION


Registered Agent Name: PHYLLIS ERMEY
 Street Address: 12530 NE 144TH ST, KIRKLAND, WA, 98034-4508, UNITED STATES
 Mailing Address: 12530 NE 144TH ST, KIRKLAND, WA, 98034-4508, UNITED STATES

GOVERNORS

Title	Governors Type	Entity Name	First Name	Last Name
GOVERNOR	INDIVIDUAL		ERIC	PERSSON

Maverick Kirkland II, LLC dba Caribbean Cardroom in Kirkland, WA is listed as a “foreign limited liability company” per the Secretary of State's website, <https://ccfs.sos.wa.gov/#/BusinessSearch/BusinessInformation>.

Maverick Kirkland II, LLC is a foreign LLC because it is a “business that was created outside of Washington State”, per the Washington Secretary of State’s website, <https://www.sos.wa.gov/corporations-charities/business-entities/download-forms>. Whereby a domestic LLC is a “business that has registered under the laws of the State of Washington.”

 Corporations and Charities Filing System

Business Information

BUSINESS INFORMATION

Business Name: MAVERICK KIRKLAND II LLC	UBI Number: 604 454 787
Business Type: FOREIGN LIMITED LIABILITY COMPANY	Business Status: ACTIVE
Principal Office Street Address: 12530 NE 144TH ST, KIRKLAND, WA, 98034-4508, UNITED STATES	Principal Office Mailing Address: 12530 NE 144TH ST, KIRKLAND, WA, 98034-4508, UNITED STATES
Expiration Date: 07/31/2023	Jurisdiction: UNITED STATES, NEVADA
Formation/ Registration Date: 07/02/2019	Period of Duration: PERPETUAL
Inactive Date:	Nature of Business: ANY LAWFUL PURPOSE

REGISTERED AGENT INFORMATION

Registered Agent Name: PHYLLIS ERMEY
 Street Address: 12530 NE 144TH ST, KIRKLAND, WA, 98034-4508, UNITED STATES
 Mailing Address: 12530 NE 144TH ST, KIRKLAND, WA, 98034-4508, UNITED STATES

GOVERNORS

Title	Governors Type	Entity Name	First Name	Last Name
GOVERNOR	ENTITY	MAVERICK CARIBBEAN LLC		

The Washington State Department of Revenue's website indicates that Maverick Kirkland II, LLC is incorporated in Nevada, https://secure.dor.wa.gov/gteunauth/_/#3.

Secretary of State Information	
Business name:	MAVERICK KIRKLAND II LLC
UBI #:	604-454-787
Active/Inactive:	Active
State of incorporation:	NEVADA
WA filing date:	7/2/2019
Expiration date:	7/31/2023
Inactive date:	
For more information, visit the Secretary of State website .	

Response to Questions 3 and 8

History of Laws and Rules (Prepared by Commission Staff as of January 18, 2023)

The purpose of this document is to provide a historical review of the following laws and rules:

- RCW 9.46.010- Legislative declaration.
- RCW 9.46.070 (11)- Gambling commission- powers and duties.
- RCW 9.46.0217- “Commercial stimulant.”
- RCW 9.46.0282- “Social card game.”
- WAC 230-03-175- Requirements for commercial stimulant businesses.

1. RCW 9.46.010- Legislative declaration.

History

1974 (HB 473- Attachment A)- RCW 9.46.010 was amended to authorize “card games.” Prior to this, “card games” were not authorized.

1994 (HB 2228- Attachment B)- RCW 9.46.010 was amended to add an introductory statement as follows:

“The public policy of the state of Washington on gambling is to keep the criminal element out of gambling and to promote the social welfare of the people by limiting the nature and scope of gambling activities and by strict regulation and control.”

2. RCW 9.46.070 (11)- Gambling commission- powers and duties.

History

1974 (HB 473- Attachment A)- RCW 9.46.070 (11) (formerly subsection (9)) was amended to give the commission the power and duty to regulate social card games, including wagering limits. Specifically:

“To regulate and establish the type and scope of and manner of conducting social card games permitted to be played, and the extent of the wager, money or other thing of value which may be wagered or contributed or won by a player in a social card game.”

1977 (HB 1133- Attachment C)- RCW 9.46.070 (11) (formerly subsection (9)) was amended as follows:

“To regulate and establish the type and scope of and manner of conducting ~~social card games permitted to be played, and the gambling activities authorized by RCW 9.46.030, including but not limited to,~~ the extent of the wager, money or other thing of value which

may be wagered or contributed or won by a player in ~~a social card game~~ any such activities.”

1987 (HB 6- Attachment D)- RCW 9.46.070 (11) (formerly subsection (9)) had a minor amendment replacing “RCW 9.46.030” noted in the language above with “this chapter.”

3. Commercial Stimulant

Applicable RCW’s Reviewed (WAC rule history noted in separate section)

- RCW 9.46.0217 (formerly RCW 9.46.020)- “Commercial stimulant.”
- RCW 9.46.0325 (formerly RCW 9.46.030)- Social card games, punchboards, pull-tabs authorized.
- RCW 9.46.070- Gambling commission- powers and duties.

History

1974 (HB 473- Attachment A)- RCW 9.46.0325 (formerly 030) and RCW 9.46.070 specifically authorized social card games “*as a commercial stimulant.*” Up to this point in time, both RCW’s in question only referenced punchboards and pull-tabs. Although “commercial stimulant” was referenced in both RCW’s, no definition of “commercial stimulant” existed yet.

1977 (HB 1133- Attachment C)- A new definition of “commercial stimulant” was created in RCW 9.46.0217 (formerly 020) to read as follows:

“(5) ‘Commercial stimulant’. An activity is operated as a commercial stimulant, for the purposes of this chapter, only when it is an incidental activity operated in connection with, and incidental to, an established business, with the primary purpose of increasing the volume of sales of food or drink for consumption on that business premises. The commission may by rule establish guidelines and criteria for applying this definition to its applicants and licensees for gambling activities authorized by this chapter as commercial stimulants.”

Furthermore, RCW 9.46.0325 (formerly 030) was amended as follows:

“(4) The legislature hereby authorizes any person, association, or organization operating an established business primarily engaged in the selling of food or drink for consumption on the premises to conduct social card games and to utilize punch boards and pull-tabs as a commercial stimulant to such business when licensed...”

The definition above for RCW 9.46.0325 is the current definition to date.

Furthermore, RCW 9.46.070 was amended as follows:

“(2) To authorize and issue licenses for a period not to exceed one year to any person, association, or organization operating a business primarily engaged in the

selling of items of food or drink for consumption on the premises, approved by the commission meeting the requirements of this chapter and any rules and regulations adopted pursuant thereto permitting said person, association, or organization to utilize punch boards and pull-tabs and to conduct social card games as a commercial stimulant in accordance with the provisions of this chapter...”

The definition above for RCW 9.46.070 is the current definition to date.

1987 (HB 6- Attachment D)- Repeal of RCW 9.46.020 which became RCW 9.46.0217 (i.e. definition of “commercial stimulant”). The definition did not change (same as noted above).

1994 (HB 2382- Attachment E)- The definition of “commercial stimulant” in RCW 9.46.0217 was amended as follows:

“‘Commercial stimulant,’ as used in this chapter, means an activity is operated as a commercial stimulant, for the purposes of this chapter, only when it is an **incidental** activity operated in connection with ~~and incidental to~~, an established business, with the **primary** purpose of increasing the volume of sales of food or drink for consumption on that business premises. The commission may by rule establish guidelines and criteria for applying this definition to its applicants and licensees for gambling activities authorized by this chapter as commercial stimulants.”

The definition above for “commercial stimulant” is the current definition to date.

4. RCW 9.46.0282- “Social card game” (formerly RCW 9.46.0281 and RCW 9.46.020).

History

1974 (HB 473- Attachment A)- The definition of “social card game” was first introduced in RCW 9.46.020 (18), which later became RCW 9.46.0281 and then 0282. The definition was long with multiple subsections. The definition prohibited house-banked games and referred to RCW 9.46.070- Gambling commission- powers and duties, as the authority to determine what card games were authorized along with the associated wagering limits.

1987 (HB 6- Attachment D)- RCW 9.46.020 (18) became RCW 9.46.0281.

1997 (SB 5560- Attachment F)- Repealed RCW 9.46.0281- “Social card game” definition in RCW 9.46.0281. Recodified new definition in RCW 9.46.0282. The new definition specifically authorized “house-banked” games. The new definition also set a limit of 15 tables. The revised definition continued to refer to RCW 9.46.070 as the authority to determine what card games were authorized along with the associated wagering limits.

5. WAC 230-03-175- Requirements for commercial stimulant businesses (formerly WAC 230-04-080).

History

Note: WAC archive does not go back past 1977.

1974- WAC 230-04-080- *Certain activities to be operated as a commercial stimulant only.* This rule was simple at the time noting "...punchboards and pull-tabs or public card rooms, licensed for use as a commercial stimulant shall not be operated other than as a commercial stimulant."

1995 (95-07-094- Attachment G)- Amended WAC 230-04-080 significantly. Multiple subsections added to rule to include for example:

"The commission may issue a license to operate punchboards and pull tabs or public card rooms, licensed for use as a commercial stimulant as commercial stimulants to any established business primarily engaged in the sale of food and/or drink items for consumption on the licensed premises. Such activities shall not be operated other than as a commercial stimulant. The following requirements apply to applicants for a license to use gambling activities to stimulate food and/or drink sales:..."

The total gross sales of food and/or drink, for on premises consumption, is equal to or greater than all other combined nongambling gross sales, rentals, or other income producing activities which occur on the licensed premises when measured on an annual basis. Applicants seeking qualification for a license under this subsection shall submit data necessary to evaluate compliance with these requirements as a part of their application..."

1999 (99-18-002- Attachment H)- Amended WAC 230-04-080. Main change noted below:

"The commission may issue a license to operate punchboards and pull tabs or public card rooms as commercial stimulants to any established business primarily engaged in the sale of food and/or drink items for consumption on the licensed premises. Such activities shall not be operated other than as a commercial stimulant and the food and/or drink business shall be open and providing service to the general public at all times gambling activities are operated."

2006 (06-07-157- Attachment I)- Rules simplification. WAC 230-04-080 was repealed and WAC 230-03-175 was formed. Part of the new language in WAC 230-03-175 read as follows:

"Businesses must provide evidence for us to determine the business' qualifications as a commercial stimulant as set forth in RCW 9.46.0217. That evidence includes, but is not limited to:

(2) Proof that it is 'primarily engaged in the selling of food or drink for consumption on premises' as used in RCW 9.46.070 (2). 'Primarily engaged in the selling of food or drink for consumption on premises' means that before receiving a gambling license the business has total gross sales of food or drink for on-premises consumption equal to or greater than all other combined gross sales, rentals, or other income-producing activities which occur on the business premises when measured on an annual basis."

2007 (07-21-116- Attachment J)- Amended WAC 230-03-175. No material changes to commercial stimulant definition. The language adopted here is the current language of the rule to date.

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1973 1st ex. sess. and to chapter 9.46 RCW; repealing section 28, chapter 218, Laws of 1973 1st ex. sess. and RCW 9.46.280; prescribing penalties; declaring an emergency and prescribing an effective date.

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

Section 1. Section 1, chapter 218, Laws of 1973 1st ex. sess. and RCW 9.46.010 are each amended to read as follows:

It is hereby declared to be the policy of the legislature, recognizing the close relationship between professional gambling and organized crime, to restrain all persons from seeking profit from professional gambling activities in this state; to restrain all persons from patronizing such professional gambling activities; to safeguard the public against the evils induced by common gamblers and common gambling houses engaged in professional gambling; and at the same time, both to preserve the freedom of the press and to avoid restricting participation by individuals in activities and social pastimes, which activities and social pastimes are more for amusement rather than for profit, do not maliciously affect the public, and do not breach the peace.

The legislature further declares that the raising of funds for the promotion of bona fide charitable or nonprofit organizations is in the public interest as is participation in such activities and social pastimes as are hereinafter in this chapter authorized.

The legislature further declares that the conducting of bingo, raffles, and amusement games and the operation of punch boards, pull-tabs, card games and other social pastimes, when conducted pursuant to the provisions of this chapter and any rules and regulations adopted pursuant thereto, are hereby authorized, as are only such lotteries for which no valuable consideration has been paid or agreed to be paid as hereinafter in this chapter provided.

All factors incident to the activities authorized in this chapter shall be closely controlled, and the provisions of this chapter shall be liberally construed to achieve such end.

Sec. 2. Section 2, chapter 218, Laws of 1973 1st ex. sess. and RCW 9.46.020 are each amended to read as follows:

(1) "Amusement game" means a game played for entertainment in which:

- (a) The contestant actively participates;
- (b) The outcome depends in a material degree upon the skill of the contestant;
- (c) Only merchandise prizes are awarded;
- (d) The outcome is not in the control of the operator;

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said tickets by the person or persons conducting the game, when said game is conducted by a bona fide charitable or nonprofit organization, no person other than a bona fide member of said organization takes any part in the management or operation of said game, and no part of the proceeds thereof inure to the benefit of any person other than the organization conducting said game, or to the winner or winners of said prize or prizes.

(18) "Social card game" means a card game, including but not limited to the game commonly known as 'Mah Jongg', which constitutes gambling and contains each of the following characteristics:

(a) There are two or more participants and each of them are players; and

(b) A player's success at winning money or other thing of value by overcoming chance is in the long run largely determined by the skill of the player; and

(c) No organization, corporation or person collects or obtains or charges any percentage of or collects or obtains any portion of the money or thing of value wagered or won by any of the players; PROVIDED, That this item (c) shall not preclude a player from collecting or obtaining his winnings; and

(d) No organization or corporation, or person collects or obtains any money or thing of value from, or charges or imposes any fee upon, any person which either enables him to play or results in or from his playing; PROVIDED, That this item (d) shall not apply to the membership fee in any bona fide charitable or nonprofit organization or to an admission fee allowed by the commission pursuant to section 4 of this 1974 amendatory act; and

(e) The type of card game is one specifically approved by the commission pursuant to section 4 of this 1974 amendatory act; and

(f) The extent of wagers, money or other thing of value which may be wagered or contributed by any player does not exceed the amount or value specified by the commission pursuant to section 4 of this 1974 amendatory act.

(19) "Thing of value" means any money or property, any token, object or article exchangeable for money or property, or any form of credit or promise, directly or indirectly, contemplating transfer of money or property or of any interest therein, or involving extension of a service, entertainment or a privilege of playing at a game or scheme without charge.

(20) "Whoever" and "person" include natural persons, corporations and partnerships and associations of persons; and when any corporate officer, director or stockholder or any partner authorizes, participates in, or knowingly accepts benefits from any violation of this chapter committed by his corporation or

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partnership, he shall be punishable for such violation as if it had been directly committed by him.

Sec. 3. Section 3, chapter 218, Laws of 1973 1st ex. sess. and RCW 9.46.030 are each amended to read as follows:

(1) The legislature hereby authorizes bona fide charitable or nonprofit organizations to conduct bingo games, raffles, amusement games, fishing derby, ((and)) to utilize punch boards and pull-tabs and to allow their premises and facilities to be used by members and guests only to play social card games authorized by the commission, when licensed ((and)), conducted or operated pursuant to the provisions of this chapter and rules and regulations adopted pursuant thereto.

(2) Bona fide charitable or bona fide nonprofit organizations organized primarily for purposes other than the conduct of raffles, are hereby authorized to conduct raffles without obtaining a license to do so from the commission when such raffles are held in accordance with all other requirements of chapter 9.46 RCW, other applicable laws, and rules of the commission; when gross revenues from all such raffles held by the organization during the calendar year do not exceed \$5000; and when tickets to such raffles are sold only to, and winners are determined only from among, the regular members of the organization conducting the raffle: PROVIDED, That the term members for this purpose shall mean only those persons who have become members prior to the commencement of the raffle and whose qualification for membership was not dependent upon, or in any way related to, the purchase of a ticket, or tickets, for such raffles.

((2)) (3) The legislature hereby authorizes any person, association or organization to conduct social card games and to utilize punch boards and pull-tabs as a commercial stimulant when licensed and utilized or operated pursuant to the provisions of this chapter and rules and regulations adopted pursuant thereto.

((3)) (4) The legislature hereby authorizes the management of any agricultural fair as authorized under chapters 15.76 and 36.37 RCW to conduct amusement games when licensed and operated pursuant to the provisions of this chapter and rules and regulations adopted pursuant thereto as well as authorizing said amusement games as so licensed and operated to be conducted ((upon any property of a city of the first class devoted to uses incident to a civic center; worlds fair or similar exposition)) as a part of and upon the site of:

(a) A civic center of a city with a population of twenty thousand or more persons as of the most recent decennial census of the federal government; or

(b) A worlds fair or similar exposition which is approved by the Bureau of International Expositions at Paris, France; or

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(c) A community-wide civic festival held not more than once annually and sponsored or approved by a city or town.

The penalties provided for professional gambling in this chapter, shall not apply to bingo games, raffles, punch boards, pull-tabs, amusement games, or fishing derby, when conducted in compliance with the provisions of this chapter and in accordance with the rules and regulations of the commission.

Sec. 4. Section 7, chapter 218, Laws of 1973 1st ex. sess. as amended by section 4, chapter 41, Laws of 1973 2nd ex. sess. and RCW 9.46.070 are each amended to read as follows:

The commission shall have the following powers and duties:

(1) To authorize and issue licenses for a period not to exceed one year to bona fide charitable or nonprofit organizations approved by the commission meeting the requirements of this chapter and any rules and regulations adopted pursuant thereto permitting said organizations to conduct bingo games, fishing derby, raffles, amusement games, and social card games to utilize punch boards and pull-tabs in accordance with the provisions of this chapter and any rules and regulations adopted pursuant thereto and to revoke or suspend said licenses for violation of any provisions of this chapter or any rules and regulations adopted pursuant thereto: PROVIDED, That ((any license issued under authority of this section shall be legal authority to engage in the gambling activity for which issued throughout the incorporated and unincorporated areas of any county unless a county, or any first class city located therein with respect to such city, shall prohibit such gambling activity: PROVIDED, FURTHER, That)) the commission shall not deny a license to an otherwise qualified applicant in an effort to limit the number of licenses to be issued: PROVIDED FURTHER, That the commission or director shall not issue, deny, suspend or revoke any license because of considerations of race, sex, creed, color, or national origin: AND PROVIDED FURTHER, That the commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(2) To authorize and issue licenses for a period not to exceed one year to any person, association or organization approved by the commission meeting the requirements of this chapter and any rules and regulations adopted pursuant thereto permitting said person, association or organization to utilize punch boards and pull-tabs and to conduct social card games as a commercial stimulant in accordance with the provisions of this chapter and any rules and regulations adopted pursuant thereto and to revoke or suspend said licenses for violation of any provisions of this chapter and any rules and regulations adopted pursuant thereto: PROVIDED, That the

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oath, that the persons named on the application are all of the persons known to have an interest in any gambling activity, building, or equipment by the person making such application: PROVIDED FURTHER, That the commission may require fingerprinting and background checks on any persons seeking licenses under this chapter or of any person holding ((an)) a managerial or ownership interest in any gambling activity, building or equipment to be used therefor, or of any person participating as an employee in the operation of any gambling activity: PROVIDED FURTHER, That fingerprinting shall be required only in those cases where the commission or the director has cause to believe that information gained thereby may disclose criminal or other relevant activity.

((7)) (6) To require that any license holder maintain records as directed by the commission and submit such reports as the commission may deem necessary;

((8)) (7) To require that all income from bingo games, raffles, and amusement games be ((received for at the time the income is received from each individual player and that all prizes be received for at the time the prize is distributed to each individual player and to require that all raffle tickets be consecutively numbered and accounted for: PROVIDED, That in lieu of the requirements of this subsection, agricultural fairs as defined herein shall report such income not later than thirty days after the termination of said fair;)) recorded and reported as established by rule or regulation of the commission to the extent deemed necessary by considering the scope and character of the gambling activity in such a manner that will disclose gross income from any gambling activity, amounts received from each player, the nature and value of prizes, and the fact of distributions of such prizes to the winners thereof;

((9)) (8) To regulate and establish maximum limitations on income derived from bingo: PROVIDED, That in establishing limitations pursuant to this subsection the commission shall take into account (i) the nature, character and scope of the activities of the licensee; (ii) the source of all other income of the licensee; (iii) the percentage or extent to which income derived from bingo is used for charitable, as distinguished from nonprofit, purposes;

(9) To regulate and establish the type and scope of and manner of conducting social card games permitted to be played, and the extent of wager, money or other thing of value which may be wagered or contributed or won by a player in a social card game;

(10) To regulate and establish a reasonable admission fee which may be imposed by an organization, corporation or person licensed to conduct a social card game on a person desiring to become

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a player in a social card game. A "reasonable admission fee" under this item shall be limited to a fee which would defray or help to defray the expenses of the game and which would not be contrary to the purposes of this chapter:

V- ((11)) To regulate and establish for bona fide charitable nonprofit corporations and organizations reasonable admission fees which may be imposed by such organizations for the purpose of defraying the expenses incident to a social card or other game or fund raising endeavor and the balance over and above such expenses it to be used solely for the charitable purposes of the corporation or organization:

((10)) (12) To cooperate with and secure the cooperation of county, city and other local or state agencies in investigating any matter within the scope of its duties and responsibilities;

((14)) (13) In accordance with RCW 9.46.080, to adopt such rules and regulations as are deemed necessary to carry out the purposes and provisions of this chapter. All rules and regulations shall be adopted pursuant to the administrative procedure act, chapter 34.04 RCW;

((12)) (14) To set forth for the perusal of counties, city-counties, cities and towns, model ordinances by which any legislative authority thereof may enter into the taxing of any gambling activity authorized in RCW 9.46.030 as now or hereafter amended; ((and))

((14)) (15) To publish and make available at the office of the commission or elsewhere to anyone requesting it a list of the commission licensees, including the name, address, type of license, and license number of each licensee; and

((13)) (16) To perform all other matters and things necessary to carry out the purposes and provisions of this chapter.

Sec. 5. Section 23, chapter 218, Laws of 1973 1st ex. sess. and RCW 9.46.230 are each amended to read as follows:

(1) All gambling devices as defined in ((REW 9.46.020 (9))) section 2 (9) of this 1974 amendatory act are common nuisances and shall be subject to seizure, immediately upon detection by any peace officer, and to confiscation and destruction by order of a superior or district justice court, except when in the possession of officers enforcing this chapter.

(2) No property right in any gambling device as defined in ((REW 9.46.020 (9))) section 2 (9) of this 1974 amendatory act shall exist or be recognized in any person, except the possessory right of officers enforcing this chapter.

(3) All furnishings, fixtures, equipment and stock, including without limitation furnishings and fixtures adaptable to nongambling uses and equipment and stock for printing, recording, computing,

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compliance with the provisions of this chapter and in accordance with the rules and regulations adopted pursuant thereto. In the enforcement of this subsection direct possession of any such gambling record shall be presumed to be knowing possession thereof.

NEW SECTION. Sec. 6. There is added to chapter 218, Laws of 1973 1st ex. sess. and to chapter 9.46 RCW a new section to read as follows:

Any license to engage in any of the gambling activities authorized by this chapter as now exists or as hereafter amended, and issued under the authority thereof shall be legal authority to engage in the gambling activities for which issued throughout the incorporated and unincorporated area of any county, except that a city located therein with respect to that city, or a county with respect to all areas within that county except for such cities, may absolutely prohibit, but may not change the scope of license, any or all of the gambling activities for which the license was issued:

PROVIDED, That a county or city may not prohibit a bona fide charitable or nonprofit organization from conducting social card games when licensed to do so and when the terms of the license permit only members of such organization to play at such games and when the terms of the license specifically prohibit the organization from imposing or collecting any admission fee.

Sec. 7. Section 8, chapter 218, Laws of 1973 1st ex. sess. and RCW 9.46.080 are each amended to read as follows:

The department of motor vehicles, subject to the approval of the commission, shall employ a full time employee as director respecting gambling activities, who shall be the administrator for the commission in carrying out its powers and duties and who, with the advice and approval of the commission shall issue rules and regulations governing the activities authorized hereunder and shall supervise departmental employees in carrying out the purposes and provisions of this chapter. ((In addition the department shall make available to the commission such of its administrative services and staff as are necessary to carry out the purposes and provisions of this chapter.)) In addition, the department shall furnish two assistant directors, together with such investigators and enforcement officers and with such of its administrative services and staff as are necessary to carry out the purposes and provisions of this chapter. The director, both assistant directors, and personnel occupying positions requiring the performing of undercover investigative work shall be exempt from the provisions of chapter 41.06 RCW, as now law or hereafter amended. Neither the director nor any departmental employee working therefor shall be an officer or

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Section 2 (1) (f) (iii) contains a proviso that provides that participants in amusement games are not gamblers and that such amusement games are not to be defined as gambling.

The effect of the proviso is to take all amusement games as defined in the statute and participants in such games out of the gambling laws and thus preclude enforcement of criminal penalties where there have been criminal violations. I have accordingly vetoed the referenced item.

2. Definition of "bona fide charitable or nonprofit organization."

Section 2 (3) contains an item striking existing language which creates a presumption that an organization is not a bona fide charitable or nonprofit organization if contributions to the organization do not qualify as charitable contributions for tax purposes. The present language is a necessary element in the operation of the Gambling Commission as it places a strict burden of proving the qualifying status on an applicant. This is a necessary safeguard in the law to prevent the doors from being opened to professional gambling activities. I have therefore vetoed the referenced item.

3. Definition of "raffle."

Section 2 (17) contains amendatory language attempting to clarify that proceeds of a raffle may indeed inure to the benefit of the winner or winners or prizes. I have vetoed the item consisting of such language because I believe it is redundant and that it further raises a problem in other sections of the bill by creating a presumption that proceeds may not go to winners of amusement games (Section 2 (1)) and bingo games (Section 2 (4)) since the same amendatory language was not placed in those subsections.

4. Definition of "social card game." [Ed. note: This item veto was overridden.]

Section 2 (18) (d) contains a proviso that would allow a bona fide charitable or nonprofit organization to charge a membership fee or admission fee for the playing of social card games. This would open the way for such an organization to increase its membership fee or admission fee to such an extent as to collect, in effect, a charge for allowing members to engage in social card games. Such a charge is prohibited in the first part of subsection (d) in Section 2 (18). Accordingly, I have vetoed the referenced proviso.

5. Authorization of social card games. [Ed. note: These items vetoes were overridden.]

Sections 3 and 4 of the bill contain three items that would unduly and unwisely broaden the authorization of social card games which is the heart of the amendatory language in Section 3. The item "and guests" in Section 3, subsection 1 on page 12, would open the way for any outsiders to participate in social card games on the premises of a licensed organization so long as they are characterized as guests.

Section 3 (3) and Section 4 (2) contain items which would allow any person, association, or organization to conduct social card games as a commercial stimulant.

These items all have the effect of paving the way for public card rooms which pose serious problems of enforcement to local police officials and foster a climate of open tolerance and/or clandestine payoffs for non-enforcement of gambling laws and regulations. Accordingly, I have vetoed these items.

6. Gambling Commission powers and duties.

Section 4 (5) of the bill contains two items restricting the investigative powers of the Commission in requiring fingerprints for background checks. One item restricts such a check to persons holding "a managerial or ownership" interest in the gambling activity. This provision would encourage those persons who do not wish to reveal their backgrounds to set up sham corporations or organizations to evade this requirement.

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Ch. 155 WASHINGTON LAWS, 1974 1st Ex.Sess. (43rd Legis.3rd Ex.S.)

Another item restricts the power of fingerprinting to only those cases where there is reason to believe a background check would disclose criminal activity. This restriction creates a situation where an unwarranted presumption of past criminal activity exists each time the Commission sees fit to require fingerprinting.

I do not believe that the Commission has exercised or is about to exercise its fingerprinting power in an arbitrary and capricious manner or in any manner for the sole purpose of harassing an applicant. The items creating the restrictions are not warranted and I have therefore vetoed the same.

7. Admission fees for social card games. [Ed. note: Item veto of subsection (10) was overridden.]

Subsections 10 and 11 in Section 4 authorize the Gambling Commission to regulate and establish admission fees for playing in social card games. I have stated earlier that the admission fee can serve as a subterfuge against the prohibition of charging an amount for playing in social card games and have therefore vetoed the referenced subsections.

8. Local option on gambling.

Section 6 contains an item consisting of a proviso which precludes a county or city from prohibiting social card games in an organization licensed to conduct such games without imposing or collecting any admission fee.

I see no good reason why a county or city, if it chooses to prohibit bingo and raffle games, should not be allowed to prohibit social card games even if an organization has previously been licensed to conduct such games, and have therefore vetoed that item.

9. Punch board and pull-tab regulation.

RCW 9.46.110 presently requires the reporting of all winners of over five dollars in money or merchandise from punch boards and pulltabs. An item in Section 8 of the bill would raise the amount to fifty dollars.

This higher amount would cover most, if not all winning punches or pulls, and would therefore effectively remove this reporting requirement. This would thereby remove the safeguard in the law against an owner or licensee of punch boards and pull-tabs from punching or pulling the larger winning numbers before a player has taken his chance, since there would be no way of determining the person or persons who made winning plays.

10. Class actions for damages.

RCW 9.46.200 presently allows any civil action under that section to be considered a class action. Section 10 of the bill contains an item striking that provision of the law. Removal of that provision would have the effect of discouraging persons who have wrongfully suffered losses and damages from bringing suit against a wrongdoer unless the amount of his loss or damage were substantial enough to justify the costs and expenses attendant to a lawsuit. I believe the original intent of the law should be restored, and have therefore vetoed the referenced item.

11. Effective date.

Section 14 of the bill declares an emergency, sets an effective date, and provides that the bill is subject to referendum. Our State Constitution clearly states in Article II, Section 1 (b) that the right of referendum does not exist as to laws "necessary for the immediate preservation of the public peace, health or safety, support of the state government and its existing public institutions." Section 14 is therefore wholly inconsistent in its component parts. I believe the people must have a right of referendum on a bill of this nature, and the Legislature has not, in my opinion, preserved that right effectively in Section 14. I have therefore vetoed the entire section.

With the exception of the foregoing items, the remainder of Substitute House Bill No. 473 is approved."

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Note: Chief Clerk of the House's letter informing the Secretary of State that the Legislature has overridden certain items of the Governor's veto is as follows:

The Honorable A. Ludlow Kramer
Secretary of State
State of Washington

Dear Mr. Secretary:

On February 19, 1974, Governor Daniel J. Evans exercised partial vetoes on Substitute House Bill No. 473 entitled "AN ACT Relating to gambling". Included among those vetoes are the following:

1. The veto of the proviso on page 11 [herein page 543], Subsection 18(d) of Section 2.
2. The veto of the words "and guests" which appear on page 12 [herein page 544], Subsection (1) of Section 3.
3. The veto of the words "conduct social card games and to" which appear on page 12 [herein page 544], Subsection (3) of section 3.
4. The veto of the words "and to conduct social card games" which appear on page 14, [herein page 545], Subsection (2) of Section 4.
5. The veto of Subsection (10) of Section 4 which appears on pages 16 and 17 [herein pages 547 and 548].

The aforementioned vetoes were overridden by the House of Representatives on April 19, 1974 and by the Senate on April 23, 1974.

Respectfully submitted,

DEAN R. FOSTER
Chief Clerk

CHAPTER 156

[House Bill No. 188]

ADMINISTRATOR FOR THE COURTS—

SALARY

AN ACT Relating to the administrator for the courts; and amending section 1, chapter 259, Laws of 1957 as amended by section 1, chapter 93, Laws of 1969 and RCW 2.56.010.

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

Section 1. Section 1, chapter 259, Laws of 1957 as amended by section 1, chapter 93, Laws of 1969 and RCW 2.56.010 are each amended to read as follows:

There shall be a state office to be known as the office of administrator for the courts who shall be appointed by the supreme court of this state from a list of five persons submitted by the governor of the state of Washington, and shall hold office at the pleasure of the appointing power. He shall not be over the age of sixty years at the time of his appointment. He shall receive a salary ((not to exceed twenty thousand dollars per year,)) to be

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SECOND SUBSTITUTE HOUSE BILL 2228

AS AMENDED BY THE SENATE

Passed Legislature - 1994 Regular Session

State of Washington

53rd Legislature

1994 Regular Session

By House Committee on Revenue (originally sponsored by Representatives Heavey, Lisk, Springer, Schmidt, Van Luven and Roland)

Read first time 02/08/94.

1 AN ACT Relating to clarifying the state's public policy on gambling
2 by restricting the frequency of lottery games, addressing problem and
3 compulsive gambling, and enhancing the enforcement of the state's
4 gambling laws; amending RCW 9.46.010, 67.70.010, 67.70.040, 67.70.190,
5 9.46.0241, 9.46.220, 9.46.221, 9.46.222, 9.46.080, 9.46.235, 9.46.260,
6 and 10.105.900; reenacting and amending RCW 9A.82.010; adding new
7 sections to chapter 9.46 RCW; creating new sections; repealing RCW
8 9.46.230; prescribing penalties; and declaring an emergency.

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

10 NEW SECTION. **Sec. 1.** The legislature intends with this act to
11 clarify the state's public policy on gambling regarding the frequency
12 of state lottery drawings, the means of addressing problem and
13 compulsive gambling, and the enforcement of the state's gambling laws.
14 This act is intended to clarify the specific types of games prohibited
15 in chapter 9.46 RCW and is not intended to add to existing law
16 regarding prohibited activities. The legislature recognizes that slot
17 machines, video pull-tabs, video poker, and other electronic games of
18 chance have been considered to be gambling devices before the effective
19 date of this act.

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1 **Sec. 2.** RCW 9.46.010 and 1975 1st ex.s. c 259 s 1 are each amended
2 to read as follows:

3 The public policy of the state of Washington on gambling is to keep
4 the criminal element out of gambling and to promote the social welfare
5 of the people by limiting the nature and scope of gambling activities
6 and by strict regulation and control.

7 It is hereby declared to be the policy of the legislature,
8 recognizing the close relationship between professional gambling and
9 organized crime, to restrain all persons from seeking profit from
10 professional gambling activities in this state; to restrain all persons
11 from patronizing such professional gambling activities; to safeguard
12 the public against the evils induced by common gamblers and common
13 gambling houses engaged in professional gambling; and at the same time,
14 both to preserve the freedom of the press and to avoid restricting
15 participation by individuals in activities and social pastimes, which
16 activities and social pastimes are more for amusement rather than for
17 profit, do not maliciously affect the public, and do not breach the
18 peace.

19 The legislature further declares that the raising of funds for the
20 promotion of bona fide charitable or nonprofit organizations is in the
21 public interest as is participation in such activities and social
22 pastimes as are hereinafter in this chapter authorized.

23 The legislature further declares that the conducting of bingo,
24 raffles, and amusement games and the operation of punch boards, pull-
25 tabs, card games and other social pastimes, when conducted pursuant to
26 the provisions of this chapter and any rules and regulations adopted
27 pursuant thereto, are hereby authorized, as are only such lotteries for
28 which no valuable consideration has been paid or agreed to be paid as
29 hereinafter in this chapter provided.

30 The legislature further declares that fishing derbies shall not
31 constitute any form of gambling and shall not be considered as a
32 lottery, a raffle, or an amusement game and shall not be subject to the
33 provisions of this chapter or any rules and regulations adopted
34 hereunder.

35 All factors incident to the activities authorized in this chapter
36 shall be closely controlled, and the provisions of this chapter shall
37 be liberally construed to achieve such end.

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Ch. 325

WASHINGTON LAWS, 1977 1st Ex. Sess.

state government and its existing public institutions, and shall take effect July 1, 1977.

Passed the House June 19, 1977.

Passed the Senate June 19, 1977.

Approved by the Governor June 30, 1977.

Filed in Office of Secretary of State June 30, 1977.

CHAPTER 326

[House Bill No. 1133]

GAMBLING

AN ACT Relating to gambling; amending section 2, chapter 218, Laws of 1973 1st ex. sess. as last amended by section 2, chapter 87, Laws of 1975-'76 2nd ex. sess. and RCW 9.46.020; amending section 3, chapter 218, Laws of 1973 1st ex. sess. as last amended by section 3, chapter 87, Laws of 1975-'76 2nd ex. sess. and RCW 9.46.030; amending section 7, chapter 218, Laws of 1973 1st ex. sess. as last amended by section 4, chapter 87, Laws of 1975-'76 2nd ex. sess. and RCW 9.46.070; amending section 8, chapter 218, Laws of 1973 1st ex. sess. as last amended by section 7, chapter 155, Laws of 1974 ex. sess. and RCW 9.46.080; amending section 10, chapter 218, Laws of 1973 1st ex. sess. and RCW 9.46.100; amending section 1, chapter 87, Laws of 1975-'76 2nd ex. sess. and RCW 9.46.115; amending section 14, chapter 218, Laws of 1973 1st ex. sess. as amended by section 8, chapter 166, Laws of 1975 1st ex. sess. and RCW 9.46.140; amending section 18, chapter 218, Laws of 1973 1st ex. sess. and RCW 9.46.180; amending section 19, chapter 218, Laws of 1973 1st ex. sess. and RCW 9.46.190; amending section 21, chapter 218, Laws of 1973 1st ex. sess. as last amended by section 10, chapter 166, Laws of 1975 1st ex. sess. and RCW 9.46.210; amending section 23, chapter 218, Laws of 1973 1st ex. sess. as last amended by section 5, chapter 155, Laws of 1974 ex. sess. and RCW 9.46.230; adding new sections to chapter 218, Laws of 1973 1st ex. sess. and to chapter 9.46 RCW; prescribing penalties; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 2, chapter 218, Laws of 1973 1st ex. sess. as last amended by section 2, chapter 87, Laws of 1975-'76 2nd ex. sess. and RCW 9.46.020 are each amended to read as follows:

- (1) "Amusement game" means a game played for entertainment in which:
 - (a) The contestant actively participates;
 - (b) The outcome depends in a material degree upon the skill of the contestant;
 - (c) Only merchandise prizes are awarded;
 - (d) The outcome is not in the control of the operator;
 - (e) The wagers are placed, the winners are determined, and a distribution of prizes or property is made in the presence of all persons placing wagers at such game; and
 - (f) Said game is conducted or operated by any agricultural fair, person, association, or organization in such manner and at such locations as may be authorized by rules and regulations adopted by the commission pursuant to this chapter as now or hereafter amended.

Cake walks as commonly known and fish ponds as commonly known shall be treated as amusement games for all purposes under this chapter.

- (2) "Bingo" means a game in which prizes are awarded on the basis of designated numbers or symbols on a card conforming to numbers or symbols selected at random and in which no cards are sold except at the time and place of said game, when said game is conducted by a bona fide charitable or nonprofit organization which does not conduct or allow its premises to be used for conducting bingo on

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more than three occasions per week and which does not conduct bingo in any location which is used for conducting bingo on more than three occasions per week, or if an agricultural fair authorized under chapters 15.76 and 36.37 RCW, which does not conduct bingo on more than twelve consecutive days in any calendar year, and except in the case of any agricultural fair as authorized under chapters 15.76 and 36.37 RCW, no person other than a bona fide member or an employee of said organization takes any part in the management or operation of said game, and no person who takes any part in the management or operation of said game takes any part in the management or operation of any game conducted by any other organization or any other branch of the same organization, unless approved by the commission, and no part of the proceeds thereof inure to the benefit of any person other than the organization conducting said game.

(3) "Bona fide charitable or nonprofit organization" means: (a) any organization duly existing under the provisions of chapters 24.12, 24.20, or 24.28 RCW, any agricultural fair authorized under the provisions of chapters 15.76 or 36.37 RCW, or any nonprofit corporation duly existing under the provisions of chapter 24.03 RCW for charitable, benevolent, eleemosynary, educational, civic, patriotic, political, social, fraternal, athletic or agricultural purposes only, or any nonprofit organization, whether incorporated or otherwise, when found by the commission to be organized and operating for one or more of the aforesaid purposes only, all of which in the opinion of the commission have been organized and are operated primarily for purposes other than the operation of gambling activities authorized under this chapter; or (b) any corporation which has been incorporated under Title 36 U.S.C. and whose principal purposes are to furnish volunteer aid to members of the armed forces of the United States and also to carry on a system of national and international relief and to apply the same in mitigating the sufferings caused by pestilence, famine, fire, floods, and other national calamities and to devise and carry on measures for preventing the same. The fact that contributions to an organization do not qualify for charitable contribution deduction purposes or that the organization is not otherwise exempt from payment of federal income taxes pursuant to the Internal Revenue Code of 1954, as amended, shall constitute prima facie evidence that the organization is not a bona fide charitable or nonprofit organization for the purposes of this section.

Any person, association or organization which pays its employees, including members, compensation other than is reasonable therefor under the local prevailing wage scale shall be deemed paying compensation based in part or whole upon receipts relating to gambling activities authorized under this chapter and shall not be a bona fide charitable or nonprofit organization for the purposes of this chapter.

(4) "Bookmaking" means accepting bets as a business, rather than in a casual or personal fashion, upon the outcome of future contingent events.

(5) "Commercial stimulant". An activity is operated as a commercial stimulant, for the purposes of this chapter, only when it is an incidental activity operated in connection with, and incidental to, an established business, with the primary purpose of increasing the volume of sales of food or drink for consumption on that business premises. The commission may by rule establish guidelines and criteria for applying this definition to its applicants and licensees for gambling activities authorized by this chapter as commercial stimulants.

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to be used by only members and guests ((only)) to play social card games authorized by the commission, when licensed, conducted or operated pursuant to the provisions of this chapter and rules and regulations adopted pursuant thereto.

(2) Bona fide charitable or bona fide nonprofit organizations organized primarily for purposes other than the conduct of raffles, are hereby authorized to conduct raffles without obtaining a license to do so from the commission when such raffles are held in accordance with all other requirements of chapter 9.46 RCW, other applicable laws, and rules of the commission; when gross revenues from all such raffles held by the organization during the calendar year do not exceed five thousand dollars; and when tickets to such raffles are sold only to, and winners are determined only from among, the regular members of the organization conducting the raffle: **PROVIDED**, That the term members for this purpose shall mean only those persons who have become members prior to the commencement of the raffle and whose qualification for membership was not dependent upon, or in any way related to, the purchase of a ticket, or tickets, for such raffles.

(3) Bona fide charitable or bona fide nonprofit organizations organized primarily for purposes other than the conduct of such activities are hereby authorized to conduct bingo, raffles, and amusement games, without obtaining a license to do so from the commission but only when:

(a) Such activities are held in accordance with all other requirements of chapter 9.46 RCW as now or hereafter amended, other applicable laws, and rules of the commission; and

(b) Said activities are, alone or in any combination, conducted no more than twice each calendar year and over a period of no more than twelve consecutive days each time, notwithstanding the limitations of RCW 9.46.020(2) as now or hereafter amended: **PROVIDED**, That a raffle conducted under this subsection may be conducted for a period longer than twelve days; and

(c) Only bona fide members of that organization, who are not paid for such services, participate in the management or operation of the activities; and

(d) Gross revenues to the organization from all the activities together does not exceed five thousand dollars during any calendar year; and

(e) All revenue therefrom, after deducting the cost of prizes and other expenses of the activity, is devoted solely to the purposes for which the organization qualifies as a bona fide charitable or nonprofit organization; and

(f) The organization gives notice at least five days in advance of the conduct of any of the activities to the local police agency of the jurisdiction within which the activities are to be conducted of the organization's intent to conduct the activities, the location of the activities, and the date or dates they will be conducted; and

(g) The organization conducting the activities maintains records for a period of one year from the date of the event which accurately show at a minimum the gross revenue from each activity, details of the expenses of conducting the activities, and details of the uses to which the gross revenue therefrom is put.

(4) The legislature hereby authorizes any person, association, or organization operating an established business primarily engaged in the selling of food or drink for consumption on the premises to conduct social card games and to utilize punch boards and pull-tabs as a commercial stimulant to such business when licensed and

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enables him or her to play or results in or from his or her playing: PROVIDED, That this subparagraph (ii) shall not preclude collection of a membership fee which is unrelated to participation in gambling activities authorized under this subsection.

The penalties provided for professional gambling in this chapter shall not apply to sports pools as described in ((this)) subsection (6) of this section, the wagering described in subsection (7) of this section, social card games, bingo games, raffles, fund raising events, punch boards, pull-tabs, ((or)) amusement games, or to the use of facilities of a bona fide charitable or nonprofit organization for social card games or dice games, when conducted in compliance with the provisions of this chapter and in accordance with the rules and regulations of the commission.

Sec. 3. Section 7, chapter 218, Laws of 1973 1st ex. sess. as last amended by section 4, chapter 87, Laws of 1975-'76 2nd ex. sess. and RCW 9.46.070 are each amended to read as follows:

The commission shall have the following powers and duties:

(1) To authorize and issue licenses for a period not to exceed one year to bona fide charitable or nonprofit organizations approved by the commission meeting the requirements of this chapter and any rules and regulations adopted pursuant thereto permitting said organizations to conduct bingo games, raffles, amusement games, and social card games((+)), to utilize punch boards and pull-tabs in accordance with the provisions of this chapter and any rules and regulations adopted pursuant thereto and to revoke or suspend said licenses for violation of any provisions of this chapter or any rules and regulations adopted pursuant thereto: PROVIDED, That the commission shall not deny a license to an otherwise qualified applicant in an effort to limit the number of licenses to be issued: PROVIDED FURTHER, That the commission or director shall not issue, deny, suspend or revoke any license because of considerations of race, sex, creed, color, or national origin: AND PROVIDED FURTHER, That the commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(2) To authorize and issue licenses for a period not to exceed one year to any person, association, or organization operating a business primarily engaged in the selling of items of food or drink for consumption on the premises, approved by the commission meeting the requirements of this chapter and any rules and regulations adopted pursuant thereto permitting said person, association, or organization to utilize punch boards and pull-tabs and to conduct social card games as a commercial stimulant in accordance with the provisions of this chapter and any rules and regulations adopted pursuant thereto and to revoke or suspend said licenses for violation of any provisions of this chapter and any rules and regulations adopted pursuant thereto: PROVIDED, That the commission shall not deny a license to an otherwise qualified applicant in an effort to limit the number of licenses to be issued: PROVIDED FURTHER, That the commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(3) To authorize and issue licenses for a period not to exceed one year to any person, association, or organization approved by the commission meeting the requirements of this chapter and meeting the requirements of any rules and regulations adopted by the commission pursuant to this chapter as now or hereafter amended, permitting said person, association, or organization to conduct or operate

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(8) To require that all income from bingo games, raffles, and amusement games be recorded and reported as established by rule or regulation of the commission to the extent deemed necessary by considering the scope and character of the gambling activity in such a manner that will disclose gross income from any gambling activity, amounts received from each player, the nature and value of prizes, and the fact of distributions of such prizes to the winners thereof;

(9) To regulate and establish maximum limitations on income derived from bingo: PROVIDED, That in establishing limitations pursuant to this subsection the commission shall take into account (i) the nature, character, and scope of the activities of the licensee; (ii) the source of all other income of the licensee; and (iii) the percentage or extent to which income derived from bingo is used for charitable, as distinguished from nonprofit, purposes;

(10) To regulate and establish the type and scope of and manner of conducting ((social card games permitted to be played, and)) the gambling activities authorized by RCW 9.46.030, including but not limited to, the extent of wager, money, or other thing of value which may be wagered or contributed or won by a player in ((a social card game)) any such activities;

(11) To regulate and establish a reasonable admission fee which may be imposed by an organization, corporation or person licensed to conduct a social card game on a person desiring to become a player in a social card game. A "reasonable admission fee" under this item shall be limited to a fee which would defray or help to defray the expenses of the game and which would not be contrary to the purposes of this chapter;

(12) To cooperate with and secure the cooperation of county, city, and other local or state agencies in investigating any matter within the scope of its duties and responsibilities;

(13) In accordance with RCW 9.46.080, to adopt such rules and regulations as are deemed necessary to carry out the purposes and provisions of this chapter. All rules and regulations shall be adopted pursuant to the administrative procedure act, chapter 34.04 RCW;

(14) To set forth for the perusal of counties, city-counties, cities and towns, model ordinances by which any legislative authority thereof may enter into the taxing of any gambling activity authorized in RCW 9.46.030 as now or hereafter amended;

(15) To establish and regulate a maximum limit on salaries or wages which may be paid to persons employed in connection with activities conducted by bona fide charitable or nonprofit organizations and authorized by this chapter, where payment of such persons is allowed, and to regulate and establish maximum limits for other expenses in connection with such authorized activities, including but not limited to rent or lease payments.

In establishing these maximum limits the commission shall take into account the amount of income received, or expected to be received, from the class of activities to which the limits will apply and the amount of money the games could generate for authorized charitable or nonprofit purposes absent such expenses. The commission may also take into account, in its discretion, other factors, including but not limited to, the local prevailing wage scale and whether charitable purposes are benefited by the activities;

NEW SECTION. Sec. 5. "Bookmaking," as used in this chapter, means accepting bets as a business, rather than in a casual or personal fashion, upon the outcome of future contingent events.

NEW SECTION. Sec. 6. "Commercial stimulant," as used in this chapter, means an activity is operated as a commercial stimulant, for the purposes of this chapter, only when it is an incidental activity operated in connection with, and incidental to, an established business, with the primary purpose of increasing the volume of sales of food or drink for consumption on that business premises. The commission may by rule establish guidelines and criteria for applying this definition to its applicants and licensees for gambling activities authorized by this chapter as commercial stimulants.

NEW SECTION. Sec. 7. "Commission," as used in this chapter, means the Washington state gambling commission created in RCW 9.46.040.

NEW SECTION. Sec. 8. "Contest of chance," as used in this chapter, means any contest, game, gaming scheme, or gaming device in which the outcome depends in a material degree upon an element of chance, notwithstanding that skill of the contestants may also be a factor therein.

NEW SECTION. Sec. 9. "Fishing derby," as used in this chapter, means a fishing contest, with or without the payment or giving of an entry fee or other consideration by some or all of the contestants, wherein prizes are awarded for the species, size, weight, or quality of fish caught in a bona fide fishing or recreational event.

NEW SECTION. Sec. 10. "Gambling," as used in this chapter, means staking or risking something of value upon the outcome of a contest of chance or a future contingent event not under the person's control or influence, upon an agreement or understanding that the person or someone else will receive something of value in the event of a certain outcome. Gambling does not include fishing derbies as defined by this chapter, parimutuel betting as authorized by chapter 67.16 RCW, bona fide business transactions valid under the law of contracts, including, but not limited to, contracts for the purchase or sale at a future date of securities or commodities, and agreements to compensate for loss caused by the happening of chance, including, but not limited to, contracts of indemnity or guarantee and life, health, or accident insurance. In addition, a contest of chance which is specifically excluded from the definition of lottery under this chapter shall not constitute gambling.

NEW SECTION. Sec. 11. "Gambling device," as used in this chapter, means: (1) Any device or mechanism the operation of which a right to money, credits, deposits or other things of value may be created, in return for a consideration, as the result of the operation of an element of chance; (2) any device or mechanism which, when operated for a consideration, does not return the same value or thing of value for the same consideration upon

only from among, the regular members of the organization conducting the raffle: **PROVIDED**, That the term members for this purpose shall mean only those persons who have become members prior to the commencement of the raffle and whose qualification for membership was not dependent upon, or in any way related to, the purchase of a ticket, or tickets, for such raffles.

NEW SECTION. Sec. 28. Bona fide charitable or bona fide nonprofit organizations organized primarily for purposes other than the conduct of such activities are hereby authorized to conduct bingo, raffles, and amusement games, without obtaining a license to do so from the commission but only when:

(1) Such activities are held in accordance with all other requirements of this chapter, other applicable laws, and rules of the commission;

(2) Said activities are, alone or in any combination, conducted no more than twice each calendar year and over a period of no more than twelve consecutive days each time, notwithstanding the limitations of section 3 of this act: **PROVIDED**, That a raffle conducted under this subsection may be conducted for a period longer than twelve days;

(3) Only bona fide members of that organization, who are not paid for such services, participate in the management or operation of the activities;

(4) Gross revenues to the organization from all the activities together do not exceed five thousand dollars during any calendar year;

(5) All revenue therefrom, after deducting the cost of prizes and other expenses of the activity, is devoted solely to the purposes for which the organization qualifies as a bona fide charitable or nonprofit organization;

(6) The organization gives notice at least five days in advance of the conduct of any of the activities to the local police agency of the jurisdiction within which the activities are to be conducted of the organization's intent to conduct the activities, the location of the activities, and the date or dates they will be conducted; and

(7) The organization conducting the activities maintains records for a period of one year from the date of the event which accurately show at a minimum the gross revenue from each activity, details of the expenses of conducting the activities, and details of the uses to which the gross revenue therefrom is put.

NEW SECTION. Sec. 29. The legislature hereby authorizes any person, association or organization operating an established business primarily engaged in the selling of food or drink for consumption on the premises to conduct social card games and to utilize punch boards and pull-tabs as a commercial stimulant to such business when licensed and utilized or operated pursuant to the provisions of this chapter and rules and regulations adopted pursuant thereto.

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(2) To authorize and issue licenses for a period not to exceed one year to any person, association, or organization operating a business primarily engaged in the selling of items of food or drink for consumption on the premises, approved by the commission meeting the requirements of this chapter and any rules and regulations adopted pursuant thereto permitting said person, association, or organization to utilize punch boards and pull-tabs and to conduct social card games as a commercial stimulant in accordance with the provisions of this chapter and any rules and regulations adopted pursuant thereto and to revoke or suspend said licenses for violation of any provisions of this chapter and any rules and regulations adopted pursuant thereto: PROVIDED, That the commission shall not deny a license to an otherwise qualified applicant in an effort to limit the number of licenses to be issued: PROVIDED FURTHER, That the commission may authorize the director to temporarily issue or suspend licenses subject to final action by the commission;

(3) To authorize and issue licenses for a period not to exceed one year to any person, association, or organization approved by the commission meeting the requirements of this chapter and meeting the requirements of any rules and regulations adopted by the commission pursuant to this chapter as now or hereafter amended, permitting said person, association, or organization to conduct or operate amusement games in such manner and at such locations as the commission may determine;

(4) To authorize, require, and issue, for a period not to exceed one year, such licenses as the commission may by rule provide, to any person, association, or organization to engage in the selling, distributing, or otherwise supplying or in the manufacturing of devices for use within this state for those activities authorized by (~~RCW 9.46.030 as now or hereafter amended~~) this chapter;

(5) To establish a schedule of annual license fees for carrying on specific gambling activities upon the premises, and for such other activities as may be licensed by the commission, which fees shall provide to the commission not less than an amount of money adequate to cover all costs incurred by the commission relative to licensing under this chapter and the enforcement by the commission of the provisions of this chapter and rules and regulations adopted pursuant thereto: PROVIDED, That all licensing fees shall be submitted with an application therefor and such portion of said fee as the commission may determine, based upon its cost of processing and investigation, shall be retained by the commission upon the withdrawal or denial of any such license application as its reasonable expense for processing the application and investigation into the granting thereof: PROVIDED FURTHER, That if in a particular case the basic license fee established by the commission for a particular class of license is less than the commission's actual expenses to investigate that particular application, the commission

Attachment D

WASHINGTON LAWS, 1987

Ch. 4

(11) To regulate and establish the type and scope of and manner of conducting the gambling activities authorized by ~~((RCW 9.46.030))~~ this chapter, including but not limited to, the extent of wager, money, or other thing of value which may be wagered or contributed or won by a player in any such activities;

(12) To regulate the collection of and the accounting for the fee which may be imposed by an organization, corporation or person licensed to conduct a social card game on a person desiring to become a player in a social card game in accordance with ~~((RCW 9.46.020(20)(d) as now or hereafter amended))~~ section 21(4) of this 1987 act;

(13) To cooperate with and secure the cooperation of county, city, and other local or state agencies in investigating any matter within the scope of its duties and responsibilities;

(14) In accordance with RCW 9.46.080, to adopt such rules and regulations as are deemed necessary to carry out the purposes and provisions of this chapter. All rules and regulations shall be adopted pursuant to the administrative procedure act, chapter 34.04 RCW;

(15) To set forth for the perusal of counties, city-counties, cities and towns, model ordinances by which any legislative authority thereof may enter into the taxing of any gambling activity authorized ~~((in RCW 9.46.030 as now or hereafter amended))~~ by this chapter;

(16) To establish and regulate a maximum limit on salaries or wages which may be paid to persons employed in connection with activities conducted by bona fide charitable or nonprofit organizations and authorized by this chapter, where payment of such persons is allowed, and to regulate and establish maximum limits for other expenses in connection with such authorized activities, including but not limited to rent or lease payments.

In establishing these maximum limits the commission shall take into account the amount of income received, or expected to be received, from the class of activities to which the limits will apply and the amount of money the games could generate for authorized charitable or nonprofit purposes absent such expenses. The commission may also take into account, in its discretion, other factors, including but not limited to, the local prevailing wage scale and whether charitable purposes are benefited by the activities;

(17) To authorize, require, and issue for a period not to exceed one year such licenses or permits, for which the commission may by rule provide, to any person to work for any operator of any gambling activity authorized by this chapter in connection with that activity, or any manufacturer, supplier, or distributor of devices for those activities in connection with such business. The commission shall not require that persons working solely as volunteers in an authorized activity conducted by a bona fide charitable or bona fide nonprofit organization, who receive no compensation of any kind for any purpose from that organization, and who have no managerial or supervisory responsibility in connection with that activity, be licensed to do

Attachment E

CERTIFICATION OF ENROLLMENT

HOUSE BILL 2382

Chapter 120, Laws of 1994

53rd Legislature
1994 Regular Session

GAMBLING--COMMERCIAL STIMULANTS

EFFECTIVE DATE: 6/9/94

Passed by the House February 14, 1994
Yeas 95 Nays 0

BRIAN EBERSOLE

**Speaker of the
House of Representatives**

Passed by the Senate March 4, 1994
Yeas 35 Nays 14

JOEL PRITCHARD

President of the Senate

Approved March 28, 1994

MIKE LOWRY

Governor of the State of Washington

CERTIFICATE

I, Marilyn Showalter, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2382** as passed by the House of Representatives and the Senate on the dates hereon set forth.

MARILYN SHOWALTER

Chief Clerk

FILED

March 28, 1994 - 11:26 a.m.

**Secretary of State
State of Washington**

Attachment E

HOUSE BILL 2382

Passed Legislature - 1994 Regular Session

State of Washington 53rd Legislature 1994 Regular Session

By Representatives Veloria, Lisk, Heavey, Horn, Anderson, Schmidt, King, Chandler, Conway and Springer

Read first time 01/14/94. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to gambling; and amending RCW 9.46.0217 and
2 9.46.0281.

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

4 **Sec. 1.** RCW 9.46.0217 and 1987 c 4 s 6 are each amended to read as
5 follows:

6 "Commercial stimulant," as used in this chapter, means an activity
7 is operated as a commercial stimulant, for the purposes of this
8 chapter, only when it is an ~~((incidental))~~ activity operated in
9 connection with~~((, and incidental to,))~~ an established business, with
10 the ~~((primary))~~ purpose of increasing the volume of sales of food or
11 drink for consumption on that business premises. The commission may by
12 rule establish guidelines and criteria for applying this definition to
13 its applicants and licensees for gambling activities authorized by this
14 chapter as commercial stimulants.

15 **Sec. 2.** RCW 9.46.0281 and 1987 c 4 s 21 are each amended to read
16 as follows:

17 "Social card game," as used in this chapter, means a card game,
18 including but not limited to the game commonly known as "Mah-Jongg,"

Attachment F

SUBSTITUTE SENATE BILL 5560

Passed Legislature - 1997 Regular Session

State of Washington

55th Legislature

1997 Regular Session

By Senate Committee on Commerce & Labor (originally sponsored by Senators Schow, Prentice, Snyder, Anderson and Horn)

Read first time 02/27/97.

1 AN ACT Relating to social card games; amending RCW 9.46.0265;
2 adding a new section to chapter 9.46 RCW; and repealing RCW 9.46.0281.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 9.46 RCW
5 to read as follows:

6 "Social card game" as used in this chapter means a card game that
7 constitutes gambling and is authorized by the commission under RCW
8 9.46.070. Authorized card games may include a house-banked or a
9 player-funded banked card game. No one may participate in the card
10 game or have an interest in the proceeds of the card game who is not a
11 player or a person licensed by the commission to participate in social
12 card games. There shall be two or more participants in the card game
13 who are players or persons licensed by the commission. The card game
14 must be played in accordance with the rules adopted by the commission
15 under RCW 9.46.070, which shall include but not be limited to rules for
16 the collection of fees, limitation of wagers, and management of player
17 funds. The number of tables authorized shall be set by the commission
18 but shall not exceed a total of fifteen separate tables per
19 establishment.

AMENDATORY SECTION (Amending Order 161, filed 9/15/86, effective 1/1/87)

WAC 230-02-380 Established business defined. "Established business" means any business (~~who~~) that has applied for and received all licenses or permits required by any state or local jurisdictions and has been open to the public for a period of not less than ninety days: *Provided*, That the commission may grant "established" status to a business that:

- (1) Has completed all construction and is ready to conduct business;
- (2) Has obtained all required licenses and permits;
- (3) Provides the commission a planned operating schedule which includes estimated gross sales from each separate activity to be conducted on the proposed premises, including but not limited to the following:
 - (a) Food and/or drinks for on-premises consumption;
 - (b) Food and/or drinks "to go"; and
 - (c) All other business activities.
- (4) Passes an inspection by the commission.

AMENDATORY SECTION (Amending Order 23, filed 9/23/74)

WAC 230-04-080 Certain activities to be operated as a commercial stimulant only—Licensing of food and/or drink businesses. The commission may issue a license to operate punchboards and pull tabs(~~(-)~~ or public card rooms(~~(-)~~ licensed for use as a commercial stimulant)) as commercial stimulants to any established business primarily engaged in the sale of food and/or drink items for consumption on the licensed premises. Such activities shall not be operated other than as a commercial stimulant. The following requirements apply to applicants for a license to use gambling activities to stimulate food and/or drink sales:

- (1) For purposes of chapter 9.46 RCW and these rules, a business shall be presumed to be a "food and/or drink business" as defined by WAC 230-02-370 if:
 - (a) It is licensed by the liquor control board to sell alcohol beverages at retail to the public for on-premises consumption and:
 - (i) It is a tavern that holds a valid Class "B" liquor license; or
 - (ii) It is a restaurant with a cocktail lounge that holds a valid Class "H" liquor license.
 - (b) It sells food and/or drink items at retail to the public and:
 - (i) All food is prepared and served for consumption on the licensed premises: *Provided*, That food may be prepared at other locations and served on the premises if the food is:
 - (A) Prepared by the licensed business; or
 - (B) Purchased from caterers by the licensed business as a wholesale transaction and resold to customers at retail.
 - (ii) The total gross sales of food and/or drink, for on-premises consumption, is equal to or greater than all other combined nongambling gross sales, rentals, or other income producing activities which occur on the licensed premises when measured on an annual basis. Applicants seeking qualification for a license under this subsection shall submit data necessary to evaluate compliance with these requirements as a part of their application. For purposes of determining total gross sales of food and drink for on-

premises consumption, meals furnished to employees, free of charge, shall be treated as sales only if:

- (A) Detailed records are maintained;
 - (B) The sale is recorded at estimated cost or menu price, but not more than five dollars per meal; and
 - (C) No more than one meal per employee is recorded during any four-hour work shift.
- (2) When an individual, partnership, or corporation operates two or more businesses within the same building or building complex and such businesses meet the requirements of subsection (1)(a) or (b) of this section, one of the businesses may be designated as a "food and/or drink business" if all of the following conditions are met:
- (a) The business being stimulated is physically isolated from all other businesses by walls and doors that clearly demonstrate the business is separate from other business being transacted at that location;
 - (b) All business transactions conducted by the applicant business are separated from the transactions conducted by all other businesses:
 - (i) Legally in the form of a separate corporation or partnership; or
 - (ii) By physical separation of all sales and accounting functions, and the methods of separation are approved by the commission;
 - (c) All gambling activities are located and occur upon the licensed premises, as defined in the license application and approved by the commission; and
 - (d) All gambling activities occur only when the food and/or drink business is open for customer service.

AMENDATORY SECTION (Amending Order 251, filed 5/17/94, effective 7/1/94)

WAC 230-08-130 Quarterly activity reports by operators of punchboards and pull tabs. Each licensee for the operation of punchboards and pull tabs shall submit an activity report to the commission concerning the operation of the licensed activity and other matters set forth below:

- (1) Reports shall be submitted detailing activities occurring during each of the following periods of the year:
 - (a) January 1st through March 31st;
 - (b) April 1st through June 30th;
 - (c) July 1st through September 30th; and
 - (d) October 1st through December 31st.
- (2) A report shall be submitted for any period of time the activity was operated or a license was valid. If ~~((the licensee does not renew his license, then he shall file))~~ a license is not renewed, a report for the period between the previous report filed and the expiration date ~~((of his license))~~ shall be submitted;
- (3) The report form shall be furnished by the commission and the completed report shall be received in the office of the commission or postmarked no later than ~~((30))~~ thirty days following the end of the period for which it is made~~((-))~~;
- (4) The report shall be signed by the highest ranking executive officer or ~~((his))~~ their designee. If the report is prepared by someone other than the licensee or ~~((his))~~ an employee, ~~((the))~~ the preparer shall print his/her name and phone number on the report~~((-))~~;

PERMANENT

Purpose: This rule was amended to require food and/or drink businesses to be open to the public at all times gambling activities are operated.

Citation of Existing Rules Affected by this Order: Amending WAC 230-04-080.

Statutory Authority for Adoption: RCW 9.46.070.

Adopted under notice filed as WSR 99-13-206 on June 23, 1999, with a publication of July 7, 1999.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at Request of a Nongovernmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's Own Initiative: New 0, Amended 1, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted Using Negotiated Rule Making: New 0, Amended 1, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.

Effective Date of Rule: Thirty-one days after filing.

August 18, 1999

Susan Arland

Rules Coordinator

AMENDATORY SECTION (Amending WSR 95-07-094, filed 3/17/95, effective 7/1/95)

WAC 230-04-080 Certain activities to be operated as a commercial stimulant only—Licensing of food and/or drink businesses. The commission may issue a license to operate punch boards and pull-tabs or public card rooms as commercial stimulants to any established business primarily engaged in the sale of food and/or drink items for consumption on the licensed premises. Such activities shall not be operated other than as a commercial stimulant and the food and/or drink business shall be open and providing service to the general public at all times gambling activities are operated. The following requirements apply to applicants for a license to use gambling activities to stimulate food and/or drink sales:

(1) For purposes of chapter 9.46 RCW and these rules, a business shall be presumed to be a "food and/or drink business" as defined by WAC 230-02-370 if:

(a) It is licensed by the liquor control board to sell alcohol beverages at retail to the public for on-premises consumption and:

(i) It is a tavern that holds a valid Tavern - No Persons Under 21 Allowed License (formerly referred to as a Class "B" liquor license); or

(ii) It is a restaurant with a cocktail lounge that holds a valid Spirits, Beer and Wine Restaurant License (formerly referred to as a Class "H" liquor license).

(b) It sells food and/or drink items at retail to the public and:

(i) All food is prepared and served for consumption on the licensed premises: Provided, That food may be prepared at other locations and served on the premises if the food is:

(A) Prepared by the licensed business; or

(B) Purchased from caterers by the licensed business as a wholesale transaction and resold to customers at retail.

(ii) The total gross sales of food and/or drink, for on-premises consumption, is equal to or greater than all other combined nongambling gross sales, rentals, or other income producing activities which occur on the licensed premises when measured on an annual basis. Applicants seeking qualification for a license under this subsection shall submit data necessary to evaluate compliance with these requirements as a part of their application. For purposes of determining total gross sales of food and drink for on-premises consumption, meals furnished to employees, free of charge, shall be treated as sales only if:

(A) Detailed records are maintained;

(B) The sale is recorded at estimated cost or menu price, but not more than five dollars per meal; and

(C) No more than one meal per employee is recorded during any four-hour work shift.

(2) When an individual, partnership, or corporation operates two or more businesses within the same building or building complex and such businesses meet the requirements of subsection (1)(a) or (b) of this section, one of the businesses may be designated as a "food and/or drink business" if all of the following conditions are met:

(a) The business being stimulated is physically isolated from all other businesses by walls and doors that clearly demonstrate the business is separate from other business being transacted at that location;

(b) All business transactions conducted by the applicant business are separated from the transactions conducted by all other businesses:

(i) Legally in the form of a separate corporation or partnership; or

(ii) By physical separation of all sales and accounting functions, and the methods of separation are approved by the commission;

(c) All gambling activities are located and occur upon the licensed premises, as defined in the license application and approved by the commission; and

(d) All gambling activities occur only when the food and/or drink business is open for customer service.

WSR 99-18-003

PERMANENT RULES

GAMBLING COMMISSION

[Order 376—Filed August 18, 1999, 12:25 p.m.]

Date of Adoption: August 13, 1999.

Purpose: Changes were made to maintain consistency with chapter 10.97 RCW. Language was added to clarify that licensee and applicant conviction data submitted or obtained during the investigative process can be released through public disclosure.

Attachment I

WSR 06-07-157

PERMANENT RULES

GAMBLING COMMISSION

[Order 457 -- Filed March 22, 2006, 9:35 a.m. , effective January 1, 2008]

Effective Date of Rule: January 1, 2008.

Purpose: The gambling commission is rewriting its rules manual using plain English techniques. The rules manual has been divided into sections and is being rewritten a section at a time. The first sections reviewed are the licensing chapter. As part of the rewrite, some items from other chapters (chapter [230-02](#) WAC, General provisions and definitions; chapter [230-04](#) WAC, Licensing; chapter [230-08](#) WAC, Records and reports; and chapter [230-12](#) WAC, Rules of general applicability), may be incorporated into the new licensing chapter. Following are rules regarding licensing and permitting which are rewritten in plain English and numbered as chapter [230-03](#) WAC. Fees related to permits, licenses, and identification stamps are numbered as chapter [230-05](#) WAC.

Statutory Authority for Adoption: [RCW 9.46.070](#).

Adopted under notice filed as WSR 06-04-057 on January 27, 2006, with a published date of February 15, 2006.

Changes Other than Editing from Proposed to Adopted Version: [WAC 230-03-020](#) and [230-03-210](#) were updated to reflect changes to current rules filed under WSR 06-04-040 with a published date of February 15, 2006, and adopted under WSR 06-07-084. The amendment increased the threshold to qualify for a punchboard/pull-tab business permit from \$20,000 to \$25,000.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at Request of a Nongovernmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's Own Initiative: New 76, Amended 0, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted Using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 76, Amended 0, Repealed 0.

Date Adopted: March 22, 2006.

Susan Arland

Rules Coordinator

OTS-8542.3

Chapter [230-03](#) WAC

Attachment I

NEW SECTION

WAC 230-03-175 Requirements for commercial stimulant businesses. Businesses must provide evidence for us to determine the business' qualifications as a commercial stimulant as set forth in [RCW 9.46.0217](#). That evidence includes, but is not limited to:

(1) Proof that it is an "established business" as used in [RCW 9.46.0217](#). "Established business" means any business that has been open to the public for sales of food or drink for on-premises eating and drinking for ninety days or more; or

(a) Provides us with a proposed operating plan which includes:

(i) Hours of operation; and

(ii) Estimated gross sales from each separate activity the business will conduct on the business premises including, but not limited to:

(A) Food or drinks for "on-premises" eating and drinking; and

(B) Food or drinks "to go"; and

(C) All other business activities; and

(b) Is ready to conduct food or drink sales; and

(c) Passes an inspection by us; and

(2) Proof that it is "primarily engaged in the selling of food or drink for consumption on premises" as used in [RCW 9.46.070\(2\)](#). "Primarily engaged in the selling of food or drink for consumption on premises" means that before receiving a gambling license the business has total gross sales of food or drink for on-premises consumption equal to or greater than all other combined gross sales, rentals, or other income-producing activities which occur on the business premises when measured on an annual basis.

Attachment J

WAC 230-03-175 Requirements for commercial stimulant businesses. Businesses must provide evidence for us to determine ~~((the business'))~~ their qualifications as a commercial stimulant as ~~((set forth))~~ required in [RCW 9.46.0217](#). That evidence includes, but is not limited to:

(1) Proof that it is an "established business" as used in [RCW 9.46.0217](#). "Established business" means any business that:

~~(a)~~ Has been open to the public for sales of food or drink for on-premises eating and drinking for ninety days or more; or

~~((a) Provides))~~ (b) Passes an inspection by us, is ready to conduct food or drink sales, and gives us ~~((with))~~ a proposed operating plan which includes:

(i) Hours of operation; and

(ii) Estimated gross sales from each separate activity the business will conduct on the business premises including, but not limited to:

(A) Gross sales from food or drinks sold for "on-premises" eating ~~((and))~~ or drinking; and

(B) Gross sales from food or drinks sold "to go"; and

(C) Gross sales from all other business activities; and

~~((b) Is ready to conduct food or drink sales; and~~

~~(e) Passes an inspection by us; and))~~

(2) Proof that it is "primarily engaged in the selling of food or drink for consumption on premises" as used in [RCW 9.46.070\(2\)](#). "Primarily engaged in the selling of food or drink for consumption on premises" means that before receiving a gambling license the business has total gross sales of food or drink for on-premises consumption equal to or greater than all other combined gross sales, rentals, or other income-producing activities which occur on the business premises when measured on an annual basis.

[Statutory Authority: [RCW 9.46.070](#). 06-07-157 (Order 457), § 230-03-175, filed 3/22/06, effective 1/1/08.]

WSGC's Response to Question 4

Wager Limit Changes as of January 13, 2023 - Prepared by Commission Staff

Date/Year	POKER in:			HBCR	HBCR	Tribal
	Card room	Class F	HBCR			
1974	\$2					
1977	\$5					
1990	\$10					
1991-1995 Phase I					13 tables @	\$10
					10 tables @	\$25
1991-1995 Phase II					9 tables @	\$10
					13 tables @	\$25
					1 table @	\$100
1995 Phase I						\$250
1995 Phase II						\$500
2000	\$25	\$25	\$25	New HBCR	\$25	
				Exper HBCR	\$100	
2003					\$100	
2004				limited tables	\$200	
2006					\$200	
2008	\$40	\$40	\$40		\$300 *	
2013	\$40	\$40	\$40			
	Texas Hold'Em only	\$100	\$100			
Sept 2016	\$40	\$100	\$300*			
Dec 2016	\$40	\$300*	\$300*			
2021-current						\$500
Limitation Appendix					25% of tables @	\$1,000
					Limited, pre-screened	\$5,000

* No documentation was found indicating a basis for how the new wager limits were determined.

Poker (blue) and HBCR (green) wager limits are set by rules adopted by the commission based on the authority granted by the legislature in [RCW 9.46.070\(11\), Powers and duties, and](#) [RCW 9.46.0282, Definition of social card game.](#)

Tribal wager limits are set by the respective Tribal-State Compacts.

WSGC's Response to Question 5

<https://www.in2013dollars.com/us/inflation/2008?amount=300>

\$300 in 2008 is worth \$413.55 today

Amount	Start year	End year	
\$ 300	2008	2023	Calculate

[\\$300 in 2010 – 2023](#) [\\$300 in 2005 – 2023](#) [Inflation rate in 2023](#) [Future inflation calculator](#)

Inflation from 2008 to 2023

Cumulative price change	37.85%
Average inflation rate	2.16%
Converted amount (\$300 base)	\$413.55
Price difference (\$300 base)	\$113.55
CPI in 2008	215.303
CPI in 2023	296.797
Inflation in 2008	3.84%
Inflation in 2023	6.45%
\$300 in 2008	\$413.55 in 2023

Value of \$300 from 2008 to 2023

\$300 in 2008 is equivalent in purchasing power to about \$413.55 today, an increase of \$113.55 over 15 years. The dollar had an average inflation rate of 2.16% per year between 2008 and today, producing a cumulative price increase of 37.85%.

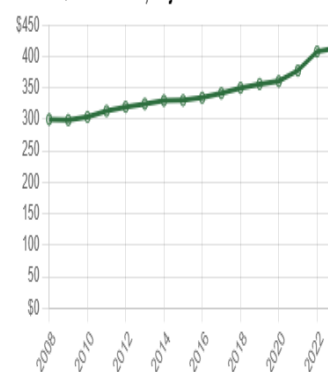
This means that today's prices are 1.38 times as high as average prices since 2008, according to the Bureau of Labor Statistics consumer price index. A dollar today only buys 72.543% of what it could buy back then.

The inflation rate in 2008 was 3.84%. The current inflation rate compared to last year is now 6.45%. If this number holds, \$300 today will be equivalent in buying power to \$319.36 next year. The current inflation rate page gives more detail on the latest inflation rates.

Contents

1. Overview
2. Buying Power of \$300
3. Inflation by City / Country
4. Inflation by Spending Category
5. Formulas & How to Calculate

\$300 in 2008, adjusted for inflation



<https://www.in2013dollars.com/us/inflation/2008?amount=300>

Dollar inflation: 2008-2023

Year	Dollar Value	Inflation Rate
2008	\$300.00	3.84%
2009	\$298.93	-0.36%
2010	\$303.84	1.64%
2011	\$313.43	3.16%
2012	\$319.91	2.07%
2013	\$324.60	1.46%
2014	\$329.86	1.62%
2015	\$330.26	0.12%
2016	\$334.42	1.26%
2017	\$341.55	2.13%
2018	\$350.06	2.49%
2019	\$356.23	1.76%
2020	\$360.62	1.23%
2021	\$377.57	4.70%
2022	\$407.78	8.00%
2023	\$413.55	1.42%*

* Compared to previous annual rate. Not final. See [inflation summary](#) for latest 12-month trailing value.

Jess Losi:

Thank you, chair. Commissioners ex officios, for the record, my name's Jess Losi. I'm a special agent in the regulation unit. Feel free to turn to tab six and your commission meeting packet. We have a petition for discussion and possible filing regarding wagering limits for house bank card games. If you recall, at the August 2022 meeting, commissioners accepted a petition and chose to initiate rulemaking to amend WAC 230-15-140 related to wager limits for house bank card games. Before you today are four draft language options to consider in no particular order. We've labeled these as option A, B, C, and D. Option A will allow wagering limits over the current maximum limit of \$300, but not to exceed 500 under certain conditions. Conditions include limits over \$300 must be approved in internal controls. Only three tables will be authorized to have the higher limits. Licensees must establish a designated space such as like high limit room for the tables where limits over \$300 will be played.

Problem gambling signage must be posted in that room, and verification that players are not on the self-exclusion list will be required before players can wager over \$300. Option B increases a maximum wagering limit from \$300 to \$500 for a single wager. And option C increases the maximum wagering limit from \$300 to \$400 per a single wager. And then the last rule draft roll option increases the maximum wagering limit from \$300 to \$500. And in addition, it allows wagering limits up to a thousand dollars. Again, under certain conditions as I just referenced with regards to option A, the conditions are the same. You'll notice as one of your attachments staff completed a history of wagering limits document that outlines all the wagering limits for tribal casinos and house bank card rooms since the mid 1970s to current.

I also wanted to note for the commissioners, when we first received this petition along with all petitions, we create a link on our public website for the public to go in and provide comment on all our petitions. So we did that right away with this particular petition. After the August commission meeting, we did receive a letter from a general manager from Chips and Palace and Lakewood in support of raising the wagering limits as originally proposed by the petitioner. Staff, since the August commission meeting, also held a stakeholder meeting. We opened up to the industry, the gaming industry. We had 14 participants. The overall consensus in that stakeholder meeting was they were supportive of raising the wagering limits. Staff also held a meeting with our tribal partners to discuss this petition.

Over the last couple months, the petitioner, if you recall, Vicki Christopherson, she represents Maverick Gaming. She submitted three different documents that are also attached in your meeting packet. One of the documents addressed some of the questions that commissioners had at the August commission meeting. Another document they provided gave a brief history of gambling in Washington state. And then the last document was a review that they did of wagering limits and states other than Washington. It should be noted that WGC staff has not independently verified the facts contained in those documents, but they are attached for reference. Staff during the last couple months have reached out to the Evergreen Council on prom gambling for feedback or any further resources to see what type of impact higher wagering limits would have on prom gambling. We haven't received any specific information yet, but staff did find an impact study. Was that a Massachusetts? In the rule summary, there's a couple links that you can go to, to review what the findings were. Neither report that we saw indicated the higher wagering limits were predictors of prom gambling.

If the commissioners do choose to file one of the rule options that I mentioned earlier today, staff will begin seeking feedback from licensee tribal partners in the public again, once we have a better direction on potentially the rule version. And your options for today are to file one of the draft language options for further discussion, request staff to continue to work on draft language, file the amended language with changes you can make during this public meeting, or withdraw the notice of rulemaking and state any reasons for the withdrawal. One other note I will make for the commission is the earliest we could

bring this rule package back to you for final action would be at the March 2023 meeting. So I'll stay on for any questions you may have. And that concludes.

Commissioner Levy:

Thank you, Jess. Does anyone have any comments? Commissioners, any questions? I think maybe I'll start because I remember, and it might have been the August meeting, I think I requested the October meeting minutes, but we'll have to figure that out. But Commissioner Reeves had a lot of questions surrounding this and I don't recall what all those questions were, which is why I wanted to look at the minutes and review those. And I think that it looks like Maverick kind of went through and answered most of those questions, which I appreciate. That took a lot of work. It's very lengthy.

But I think what me personally would like to look back at some of the questions, see what Maverick put forward, pick out what's the most important now for trying to... I still don't feel like I have quite enough information, and well, I appreciate that Maverick put it all forward. And there could be bias, so maybe get the staff to pick out some of the things and continue to work on some of those answers and get some of more of the questions answered. Which I don't know that the staff can tackle all of those because it was a lot. But just to try to narrow it down some. So that's what I would like to do at this point. I don't know how the other commissioners feel. Commissioner Patterson.

Commissioner Patterson:

Thank you. Commissioner Levy, what questions are on are you talking? What things are you talking about? Can you give me some examples?

Commissioner Levy:

No. When we first opened this up, there was a lot of questions by not only her. I think Representative Kloba had quite a few questions as well. And then it was a lengthy discussion. I would just need to look back through the minutes. That's what, and determine exactly. And maybe we don't need them all answered. I just want to make sure because I remember thinking at that meeting that there was a lot of important discussion that occurred and a lot of things that were brought up.

Commissioner Patterson:

So procedurally, I'm a little confused. There were any questions that were asked. Maverick did respond. You're saying that they fully respond.

Commissioner Levy:

They did. The staff didn't get to verify everything, and so I just want a little bit of verification on some of the materials they brought forth. I'll do some of my own research on what they brought forth. It was a lot of information that Maverick brought forth. I read through it all. I just want to be able to verify it and make sure that I have a full understanding. And that if some of it needs to be clarified or verified by our own staff, that we can have the opportunity to do that.

Commissioner Patterson:

Okay. That sounds great. I just want to ask staff to be sure to include that information in the packet when we take this up next time.

Commissioner Levy:

Yeah.

Commissioner Patterson:

I mean if they're maybe the best way to do it is to outline questions were how [inaudible 00:32:38] answer and what is left that needs to be answered.

Commissioner Levy:

Right. Yeah. And I just personally think I need a little bit more time to do that before I feel comfortable just choosing one of these options. That's all.

Commissioner Sizemore:

Okay. And I guess you kind of answered it maybe towards the end, you feel like you need more time prior to choosing one of the options or any other option that we have. Okay. I think while I respect that, I think if we maybe go through public comment, certainly if there were any other commissioner questions, I think maybe at that point maybe we can see if we're still on that same spot and then maybe consider a motion and then see where that goes to whether that ends the matter or moves in along would be my proposal.

Commissioner Levy:

All right. That sounds good. Let's see. Commissioner Lawson, did you have any comments so far?

Commissioner Lawson:

Thank you Commissioner Levy or Chair Levy. No, I think that I'm in the same position where I would like to see some of the information that was provided. In support of the rule change, I would like to see that information verified by commission staff.

Commissioner Sizemore:

Okay. Thank you. So are we ready for public comment [inaudible 00:34:34] commissioners? Do we have any public comment on this?

Vicki Christopherson:

Yes. [inaudible 00:34:41] sign up share.

Commissioner Levy:

You're fine.

Vicki Christopherson:

Good afternoon, commissioners. Vicki Christopherson here today on behalf of Maverick Gaming. Thanks again for continuing to work on this important proposal. I guess what I want to start with is Lisa and your finance person basically made our case. The same reason that you are seeking to increase license fees, those issues with respect to the cost of doing business, it hasn't been since 2018 that our wager limits have been adjusted. It's been since 2009. We're now on 14 years without an adjustment to the wager limit in card rooms. So for the industry, when we look at the fact that it is in fact shrinking, it is a very difficult industry to be in, and making sure that the companies can remain solvent just as the

commission needs to do as well. I think it's important that these issues that we bring forward in rule petitions are addressed in a timely manner.

You're right, the hearing happened in August, and Jess will correct me, I'll have to go back and look at my email, but I'm pretty sure we provided all of this information in September-ish, maybe October, which seems to me to be enough time to get some verification about the information that we provided. The state's wager limits information we provided is publicly available and we only compared of states that had commercial wagering, commercial gaming like ours so that we could be doing an apples to apples comparison. I understand in talking to many folks over the last several months that there's some policy concerns or questions around whether high limit in the thousand dollars range is the right way to go. And to me that issue, it's fair to say that that issue needs some more discussion and something we would be willing to continue to do. But with respect to the adjustment from three to our suggested 500, honestly, to us, that seems fairly routine given that it's been since 2009, since our wager limits have been adjusted.

It does not out of the ordinary. And again, given the constraints and the realities that all businesses including state agencies are dealing with now, the cost of workers, the cost of benefits, the cost of supplies and goods, the cost of food, everything is going up. And you can see the consolidation happening in our industry, it's happening partly because of these issues. And in our opinion, the commission has an obligation to work with us to ensure that the industry can remain solvent.

We have a bit of frustration in that we have now four rule petitions before you, three of them have been 10 months with no discussion or action, this one since August. And so I understand the desire for more time. At the same time we really look to collaborate. We're not going to oppose fee increases. That's obviously something that comes with our work with the commission, but we just ask for the same consideration for our businesses as we continue to go forward. So I would hope that the commission could move forward with initiating rulemaking on the \$500 limit. That still gives you plenty of time because you wouldn't be adopting it now. You'd be directing staff to draft language, which then you could continue to get answers to your questions while that conversation is going on. A delay in initiating rulemaking until March then puts us again several months until some action can be taken. So that's our request. I appreciate the consideration, appreciate the complexities, and we stand ready to answer any questions. Thank you.

Commissioner Levy:

Thank you. Okay. Do we have any other comments or...? Hello?

Luke Esser:

Good afternoon. My name is Luke Esser. I speak on behalf of the Kalispel Tribe. And our interest in this rule's petition was initially drawn by the petitioner's reference to tribal gaming as was indicated on the first page of the staff report. The final bullet under the petitioner feels this changes as needed for several reasons. And the final bullet initially was to keep the wagering limits for card rooms fair and consistent with competitors, specifically tribal casinos. And I think we have hopefully put that issue to rests with the discussion about how fundamentally different tribal gaming is as created on and regulated under India Gaming Regulatory Act at the federal level versus the state structure for commercial gaming.

I am among those who thought that there was going to be a thorough review by staff in the lead up to this discussion as to the foundations of the authorization by the legislature for the card rooms in the

state of Washington. And while Maverick certainly has the right to present their response to that background, I think the commission would benefit from a more objective analysis.

And one point I'll make, but I don't think it's been addressed at all, is that it is still part of state law RCW 94, 946070 about the gaming commission. The commission shall have the following powers and duties sub two to authorize and issue licenses for a period not to exceed one year to any person association or organization operating a business primarily engaged in the selling of items and food or drink for consumption on the premises. And so I think the commission should, before even entertaining an increase in these betting limits, go back and take a look at the foundation that the legislature has provided to you for the whole construct of card room gaming in the state of Washington.

And the final point I want to make is regarding inflation and the suggestion that there's a merited increase, your staff has done a good job of pointing out that there's been four different benchmarks over time for the betting limits in the card rooms, the initial \$25 in 1997, up to \$100 in 2000, up again 2004 to \$200, up again in 2009 to \$300. And if you examine each of those and adjust for inflation, it's only the most recent of those for which there would be any argument that an inflationary adjustment is warranted. So I would encourage you to have staff verify that I took a look at my own numbers on usinflationcalculator.com, so I'm no expert in the field. But for most of those different benchmarks that have been adopted over time, you're already above with the current \$300 limit what inflation would've called for at this point in time. So I think there's a lot of unanswered questions for the commissioners to gather more information on before making a and rendering a judgment on this proposal. So thank you for the opportunity to share those thoughts.

Commissioner Levy:

Thank you very much. Is there any other comments?

Julie:

Okay. Commissioner Patterson.

Commissioner Levy:

Oh, commissioner Patterson.

Commissioner Patterson:

So, madam chair, I just wanted to say that I'm ready to take the vote today and it's the prerogative, the chair, I imagine to readjust the action on the agenda and that's what you signaled that you want to do. But I'm ready to take a vote today. I thought testimony was pretty compelling for how we've been delaying this. And then no explanation is to what the outstanding questions are that our staff have broadly addressed. So I wanted to put that on the record. I feel that unless we explain what [inaudible 00:43:08] we don't know or that we're uncomfortable about, which is what this [inaudible 00:43:12] is for, I'm ready to prove, or what it's-

Commissioner Levy:

All right. Does anyone else have any comments or we can open it up to a motion?

Commissioner Sizemore:

So the last public comment discussed RCW 9.46.070 sub two, which describes a business primarily engaged in the selling of items of food or drink. And yet I have also seen a different parts of the statute

9.46.02.17 that just is the definition of commercial stimulants and it doesn't include the term primary. So I think we have a conflicting statute it feels like, which doesn't give me any more confidence in whether, and I think it's a lot of it is certainly up to interpretation. I want to make sure that we're not outside of our lane, that we're staying within our authority. I think that with the definition of commercial stimulant being outlined and primary not being part of that, it lends itself to the fact that there's certainly a possibility that the legislature doesn't require that to be a primary function. And then you get into whether that's how do you define further define, which I think we have the authority to do by rule, which I don't know, director, whether we've done that by rule outside of the statute or if we have, I'd like to hear.

Director Griffin:

Yes. So there is a definition in rule of commercial stimulant, and it is WAC 230 03 175, excuse me. That's the requirements for commercial stimulant business. Give me a minute. I can see if we have a definition of commercial stimulants. We do not have a definition for commercial stimulant. Usually we don't have rules that when there's already an RCW because the RCW is authority language. So we do not have a definition of commercial stimulant in WAC. We only have the additional requirements for commercial stimulant business defined in WAC.

Commissioner Sizemore:

Okay. All right. Well, I guess that's conclusion of my remarks at this point.

Commissioner Levy:

Are there any other comments?

Commissioner Lawson:

This is Commissioner Lawson. I first would like to thank the petitioners for all the research and work that they've done here. There's a lot here to absorb and I want to thank you for taking the time to put this information together. I think I'd still like to see some analysis of the information that was put forward that would be done by commission staff that would be a bit more objective. And I would still like to see the minutes from our prior discussion to really be able to draw those lines linking the question that was asked by each commissioner and the answer that was provided by the petitioner in the materials. As well as have additional time to read and analyze the RCW and the WAC and come to some sort of conclusion about what those statutes and regulations say.

Commissioner Levy:

Thank you.

Commissioner Sizemore:

So I guess I have a question for my fellow commissioners of whether, sorry. So right now to get into the rulemaking process, right now we're at the 101 phase from what I understand. So 101 to start rulemaking has gone on, 102 is proposed language, and then certainly 103 is an up or down vote on adopting. Is that an accurate shorthand way of looking at it? So I guess from my fellow commissioners, I'm curious if folks feel like this is a conversation that can be had after adopting some proposed language today. And I think I heard Commissioner Patterson suggests yes, Commissioner Levy no, and Commissioner Lawson feels like maybe no. But I think that there may be some value in moving this along

to the 102 level. And maybe my first reason for that is that I would truly like to take the thousand dollars high limit proposal or aspect of this proposal off the table. I don't think that that's appropriate.

I think if we go back to the record back in August, I'm pretty sure that I made it pretty abundantly clear. I didn't feel like card rooms and tribal casinos were apples and apples and were not competitors in a sense as maybe as being suggested. So that record just will continue as long as this topic is before us, because our staff adds to that worksheet essentially, and those were contentions at the beginning. So all of that to say, I think that there may be some value in getting the thousand dollars high limit, part of the conversation off the table, go ahead and do a motion to do a 102, and then we're not limited to going forward, stopping, pausing, taking the time necessary to do what I think I'm hearing some folks need.

Commissioner Levy:

Okay. Just a question for staff, maybe. How long does the 102 period last?

Director Griffin :

Probably 180 days.

Commissioner Levy:

From like today or?

Director Griffin:

Nope, from when you file it. So we haven't filed anything with the code reviser's office. So 180 days from the filing of the document with the code revisers. So then you can renew that filing with the code reviser or another 180 days as well.

Commissioner Levy:

Okay. And then Commissioner Sizemore, not to put you on the spot, but what would be your proposal of, if you were to file that, what would the wager increases be?

Commissioner Sizemore:

Well, I think Commissioner Patterson had a motion that she wanted to make, so I don't want to step on that.

Commissioner Levy:

Okay.

Commissioner Patterson:

I was just going to express my opinion. I wasn't making a motion, but I mean, I'd be glad to put a motion forward that you can vote on. I don't know what good that would do because everyone's shown their cards, unless somebody's interested in changing. I can probably move forward with option B. If I were to make a motion, that's what I would move that we continue to consider option B.

Commissioner Levy:

And the only reason I was asking that, because I guess another question for staff, if we could stay B now 300 to 500, could we later lower it to 400 if we wanted to, or then you can still just do whatever?

Director Griffin:

Right. Any, because until you take final action, you can make changes. So if they're substantive or substantial, then you have to refile the 102. But yes, you can make changes.

Commissioner Levy:

Okay. Just want to make sure. Okay. Is there any other comments then?

Commissioner Sizemore:

I guess I have one more. Hopefully just one more. And this is to staff. So for our usual rules process, the 102 is really when we do the heavy duty stakeholder work generally?

Director Griffin:

Correct.

Commissioner Sizemore:

Okay.

Director Griffin:

Because there's nothing when there's no rule.

Commissioner Sizemore:

No potential language.

Director Griffin:

Well, at this point we've just initiated rulemaking and the petitioner has provided a suggested language. So that would be the only thing to talk about. I mean we could listen to feedback, but that is somewhat what we did in September is feedback on the petition because there was no language. And if I may, I will add that even if the rule is up for final action, you can decide not to move forward with rulemaking at that time. So you could withdraw the initiation of rulemaking at that time. So just because something is filed, even with the 102 and you're ready to come forward for final action, it can be removed.

Commissioner Levy:

Thank you. Hey, do we have any other comments? Yes, commissioner Patterson.

Commissioner Patterson:

So having listened to all that, I'm just curious if we move forward for rulemaking process, if I were to forward a motion that we move forward with option B, is that not enough time for commissioners to get their other questions answered so that they could be incorporated into discussion about that motion?

Commissioner Levy:

I think 180 days is probably enough time. Yeah.

Commissioner Patterson:

Okay.

Commissioner Lawson:

Yeah, I agree. 180 days is enough time. And I'm comfortable with moving forward with one of the options presented. My only caveat was that I just needed more time to digest everything that's been presented and wanted a little bit more counterpoint from commission staff. But given that that is still going to take place once we take action today, then I'm comfortable with taking a vote on one of the options.

Commissioner Patterson:

Okay. Well, having that'll forward a motion when you're ready [inaudible 00:56:57].

Commissioner Sizemore:

[inaudible 00:56:57] need to make a motion.

Commissioner Levy:

Okay. We have a motion then. Yes, go ahead.

Commissioner Patterson:

Are you ready for a motion?

Commissioner Levy:

Yes.

Commissioner Patterson:

Okay. So I'd like [inaudible 00:57:05] this time we move forward with option B, which will increase the maximum waging from, excuse me, yes, B, which will move the limit from 300 \$500 for a single wager.

Commissioner Levy:

Thank you. Do we have a second?

Commissioner Sizemore:

I'll second that.

Commissioner Levy:

Okay. All those, sorry, do we have any additional comments now that's been moved and seconded? Okay. Then all those in favor, please say aye.

Commissioner Sizemore:

Aye.

Commissioner Lawson:

Aye.

This transcript was exported on Jan 11, 2023 - view latest version [here](#).

Commissioner Levy:

Aye.

Commissioner Patterson:

Aye.

Commissioner Levy:

All right. The motion passes four commissioners.

Lohse, Jess (GMB)

From: Griffin, Tina (GMB)
Sent: Thursday, August 11, 2022 1:31 PM
To: Lohse, Jess (GMB)
Subject: FW: Wager limit rule change petition
Attachments: Wager limit rule change petition.pdf

Please put this with the HBCR rules file. It was read into the record of the Commission meeting on August 11, 2022.

From: AgencyWebsite (GMB) <agency.website@wsgc.wa.gov>
Sent: Thursday, August 11, 2022 8:05 AM
To: Anderson, Julie (GMB) <julie.anderson@wsgc.wa.gov>; Griffin, Tina (GMB) <tina.griffin@wsgc.wa.gov>
Subject: FW: Wager limit rule change petition

Nicole Frazer
Administrative Assistant 3, CEU/Regulations
Agency Evidence Officer & Agency ACCESS TAC
Phone: 509-325-7905 Cell - 509-530-0743
Nicole.Frazer@wsgc.wa.gov

From: Tony Johns - Chips & Palace Casinos <tjohns@evergreengaming.com>
Sent: Wednesday, August 10, 2022 5:31 PM
To: AgencyWebsite (GMB) <agency.website@wsgc.wa.gov>
Subject: Wager limit rule change petition

External Email

To whom it may concern,

Please see the attached statement on behalf of Evergreen Gaming regarding the Table limit rule change petition on the agenda for the 8/11/22 meeting.

Thank you,

Tony Johns
General Manager
Chips/Palace Casinos
Lakewood, Wa
253-720-8369



Evergreen gaming wishes to support the submitted rules petition requesting that the maximum wager limits be increased to \$500 and \$1,000 limited to no more than three table games. Evergreen gaming believes that this rule change is necessary to continue to keep up with the increasing wage growth and skyrocketing inflation. Evergreen gaming wishes to remain competitive with its pay and benefits offerings throughout the food and entertainment industry. The \$500 table limits will play a vital role in doing this and the \$1,000 limits, on up to three table games will allow us to provide a desirable option to the top 3% of guests who currently go out of state where comparable limits are offered. We thank you for your consideration of this rule change and look forward to participating in future discussions on how to implement it most effectively in a way that promotes safe and responsible gaming.

Tony Johns

A handwritten signature in dark ink, appearing to read "Tony Johns", with a long, sweeping underline.

General manager

Chips Casino and Palace Casino

Lakewood, WA.

Follow up to questions posed by WSGC member to Maverick Gaming petition to increase wager limits

The following QA includes the queries mentioned in public meetings and other correspondence specific to Maverick Gaming's request for an update to regulations to allow a wager increase for Washington cardrooms.

Historical foundation:

The Washington State Legislature Passed [SHB 473](#) in 1974 to allow cardrooms. Significant updates to the initial law have occurred only four times since 1981.

- 1981 – Allowance for a local tax on card room revenue increased from 5% to 20% (there is no state tax on gambling). Fees from card rooms support the operations of its regulatory body, the Washington State Gambling Commission. [SB 3307](#)
- 1996 – Card rooms expanded from 5 tables to 15 tables. [SB 6430 bill page](#). Bill Text
- 1997 – Nontribal House-banked card rooms approved. [SB 5560 bill page](#).
- [Bill Text](#)
- 2006 – Wager limits for card rooms increased to \$200 at all tables. Previously, a \$200 wager limit was only allowed at three tables per card room.
- 2007 – Rules published in the [Washington State Register](#) by the Washington State Gambling Commission, defining the sale of food and drink by card game licensees as a “commercial stimulant” that should not be included in gross gambling receipts:
 - “If card game licensees prepare and provide food and drink as a part of the entry fee, they may treat the fair market value of the food and drink as commercial stimulant sales and not include it as gross gambling receipts.”
- 2008 – Card rooms allowed to expand hours to operate seven days a week, 24 hours per day. Previously, card rooms were only authorized to operate 20 hours per day.
- 2009 – Wager limits for card rooms increased to \$300 at all tables. Previously, a wager limit of \$200 was in place for all tables.
- 2012 – Card rooms authorized to offer carryover pots for up to 10 games. This was previously not authorized. Wager limits for “Texas hold ‘em” games raised from \$40 to \$100.

QA

How did you arrive at your request for \$500 limits from \$300 limits? How does chain inflation factor into this? What are the impacts of inflation on cardroom operations?

- Minimum wage in 2009 was \$8.55 when wager limit increased from \$250 to \$300.

- Minimum wage in 2022 is \$14.49 now which is 1.69x of 2009 would point to an the increase of close to \$508. We rounded it down to \$500.
- Minimum wage is going to be \$15.74 next year but we think \$500 is still reasonable.

Washington's card rooms are a legal, regulated participant in our state's economy and the laws and rules governing their operation should reflect the economic reality of the times.

- The impact of inflation has driven operating costs have been greatly affecting stability
 - Food & Beverage
 - Food, beverage, and liquor are significant in cost to our operations. Attached food items we paid in 2019 has now increased by +50% this year. The same buffet menu we offered in 2019 costs **60% more to do now**. **A list of current price sheet will be provided separately.**
 - Gaming Equipment
 - Two of our essential and most used gaming equipment, playing cards and gaming chips, have a significant jump on the price under the inflation
 - Playing cards up from \$0.80 per deck to now \$1.66 per deck, a **107.5% increase**
 - Gaming chips up from \$1.39 (qty 2,000) and \$0.78 (qty 3,000) to \$2.54 (qty 2,000) and \$2.28 (qty 3,000). **82.7% increase in cost**
 - Supply shortage
 - The shortage has been another factor to drive the cost increase because when we cannot receive, for example, ketchup in time from our supplier we will need to shop around wherever there's a supply. The imbalance in supply and demand naturally grants the product to whom pays more and that inevitably drove up our cost to supply products to our guests.
 - Freight is the other factor that has put more weight on the increase of product costs
 - Payroll
 - This data of min wage increase has been addressed in prior meeting and with another new 8.6% increase, effective January 2023, is going to make it harder to operate in a healthy margin
 - To get people hired, the cost is much higher than the min wage increase. We are competing with other employers for the same pool of workable source in WA, where the living costs is on the top list across the nation's 50 states. McDonald is hiring at \$23.00 while they were able to increase a Big Mac combo from \$9 to \$13.50 now to justify the payroll increase.
 - Due to COVID, the employee insurance cost has also increased from the claims and premium by insurance company.

How will tier 1, 2 and 3 supplies be impacted by this proposed increase in wager limits?

How have the statutes and rules evolved for "social card games" and "commercial stimulants"?

The laws and rules governing social card games have been updated by the Legislature and the Washington State Gambling Commission since their creation in 1974 to reflect the economic reality of the times. *Please see “A Brief History of Gambling in Washington” for a general timeline and contextual information.*

Social card games were first defined in statute in [SHB 473](#), adopted in 1974, as a regulated gaming option available for bona fide charitable or non-profit organizations. Social card games were also available to any person, organization or association when utilized as a commercial stimulant. In 1987, the Legislature in adopting [HB 6](#) determined the definition of “commercial stimulant” relating to social card games as: “an activity that is an incidental activity operated in connection with, and incidental to, an established business, with the primary purpose of increasing the volume of sales of food or drink for consumption on that business premises.”

Following the opening of the first Tribal casinos in 1992, the Legislature in a 95-0 vote in the House and a 35-14 vote in the Senate defined “commercial stimulant” as no longer secondary or incidental to an established business. In adopting [HB 2382](#), the Legislature revised the definition of “commercial stimulant” relating to social card games, striking the two instances of the word “incidental” and one of “primary.” “‘Commercial stimulant,’ as used in this chapter, means an activity is operated as a commercial stimulant, for the purposes of this chapter, only when it is an ~~incidental~~ activity operated in connection with, ~~and incidental to~~, an established business, with the primary purpose of increasing the volume of sales of food or drink for consumption on that business premises.”

In 1996 and 1997, the definition of social card games was again updated by the Legislature to increase the maximum number of tables from five to 15 and to allow for house-banked card rooms. According to legislative records, testimony, and a review of floor speeches by lawmakers, the Legislature was responding to a desire to allow card rooms to remain a competitive business. The Commission engaged in corresponding rulemaking to adopt the regulations governing the operation of house-banked card rooms.

Additional rulemaking after the creation of house-banked card rooms includes four updates to the wager limits allowed for house-banked card rooms from 2006 to 2012. Finally, in 2007, [rules](#) published by the Washington State Gambling Commission defined the sale of food and drink by card game licensees as a “commercial stimulant” that should not be included in gross gambling receipts.

When first created by the Legislature in 1974, social card games were defined as an ancillary operation to help stimulate the commercial or non-profit operations of a primary business or organization. Since 1974 – and especially since the opening of the first Tribal casinos in Washington - the Legislature has made multiple updates to the definition of social card games in statute so that they are now operated as primary for-profit commercial businesses, often with a corresponding secondary business of food and drink. The Commission has also reflected this definition in statute in its rulemaking, both in increasing wager limits to reflect the economic reality of the times and categorizing gross receipts for tax purposes.

Please provide more detail for the assertion that in the 1990’s the legislature chose expansion for card rooms (5-15 tables and allowance of house banked cardrooms).

In 1996, the state legislature approved the expansion from five tables to 15 tables for cardrooms. ([SB 6430 bill page](#). [Bill Text](#)) The Senate Bill report reads as follows:

This legislation as introduced in the Senate would expand tables from 5 to 15 and allow for house-banked card rooms. However, a substitute bill removed allowing house-banked card rooms and replaced that provision by allowing for player-supported progressive prize contests. After passing the Senate, the House attached an amendment to provide the Commission \$1 million from the General Fund. After passing the House, the Senate refused to concur, and the House receded from the amendment before again passing the bill (this time with 5 more yay votes).

Testimony against: Dick Dorsett, Pierce County; Maureen Morris, Association of Cities.

Testimony for: Senator Schow, prime sponsor; Steven Downen, Riverside Inn; George Teeney, card room operator; Dave Pardee, Skyway Bowl; Robert Saucier, Mars Hotel; Fred Steiner, Diamond Lil's; Art Lawerson, Cafe International; Lou Dales, Tower Inn

Senate sponsors: Schow, Spanel

House sponsors: Thompson, Quall, Thomas, L., Clements, Schmidt, Blanton, Buck, Schoesler, Cairnes, Conway

Senate approved 30-14-5, House approved 78-13-7 on first vote, 83-15-0 on second vote.

✓ Governor signed (Lowry)

In 1997 the state legislature established house-banked, nontribal cardrooms. ([SB 5560 bill page](#). [Bill Text](#))

House Bill Testimony Summary: "The house would make more money acting as the banker. The commission would still set wagering limits and establish the number of tables up to the maximum allowed under current law. This bill will allow card rooms to compete with the tribal casinos."

Relevant testimony from TVW's archives includes the following:

[Senate Floor Debate](#) - ~35:00 – Sen. Schow says that the update was so that the Commission would know everyone who is participating in a game.

[No mention of commercial stimulant.]

[House Floor Debate](#) - ~1:07:00 – Rep. McMorris says that the update is needed so not just anyone can bank a game and will allow owners of card rooms to make sure the games are run well. Rep. Wood says this will help a lot of the small card rooms

[House Bill report](#)

No testimony against. Pro Testimony: Steve Down, Recreational Gaming Association; Rob Saucier, Mars Hotel; and Julia Porter, Eddie's Diner.

Senate Sponsors: Schow, Prentice, Snyder, Anderson, Horn

House Sponsors: Cairnes, Hatfield, Conway, Fisher, Zellinsky

Senate Approved 44-1, House Approved 97-0

✓ Governor signed (Locke)

How are house-banked card rooms (HBCRs) marketing themselves currently?

Like restaurants, theaters, and sports, playing cards is one choice people have for entertainment. For those who gamble, playing cards at a neighborhood destination is marketable for a relaxed, convenient environment, programs that offer loyalty discounts, a good meal, community connection. We are the local Cheers bar.

Just as a movie theater markets itself as a destination for watching movies, house-banked card rooms market themselves as a destination for playing cards.

What triggers, strings, and centers of influence should determine, beyond the economic factors, when and why we raise limits in HBCRs?

For every sector in every industry, economic factors and time are key and determining factors for updates to regulation. An unchanging, stagnant environment over time is not a reality for any sector. That reality is fundamental for our request to increase wager limits. Customer choice, customer autonomy, the standard need for any business in the entertainment or hospitality industry to evolve to meet its customer's needs (or lose their business) is very much at the crux of increased wager limits at cardrooms.

A regulated utility raises rates to ensure its services meet the needs of its customers. A regulated sector such as liquor and spirits asks for permission to include tasting rooms in distilleries to respond to customer demand. Regulated providers for broadband access must ask for permission to build new infrastructure that responds to both consumer demand and the requirements of technology to function properly on its networks. Those with liquor licenses ask for the allowance to provide outdoor "café" service and food truck operators advocate for updates to parking regulations. In every instance, the needs of the people who use, enjoy, and rely on the service should be accommodated safely and responsibly in regulation. The *opposite* action, limited or reticent updates to the rules, affects the choice, control, and costs for consumers first and above everything else.

Historically the Gambling Commission has followed the Legislature's lead in updating wager limits to reflect the ongoing economic and competitive evolution of gambling in our state. Cardrooms are a legal participant in our state's economy and the laws and rules governing their operation should reflect the economic reality of the times. Updates that respect the cardroom industry have been updated a total of four times since 1981. In 2022, an update is reasonable.

Inflation impacts the operations of card rooms much like it impacts the operations of any commercial business. For card rooms, inflation drives up the cost of essential items such as poker chips and cards, the wages of employees, health care benefits and food costs.

Is there a comparison between Washington cardrooms and Tribal casinos?

No. Cardrooms do not compete with Tribal casinos on any aspect of business, except for the card players at the 15 tables they are allowed to host. 90% of cardroom customers live within 3 miles and can drop by to watch the game and meet friends for beers and burgers, or to play cards somewhere that is local and familiar. Washington cardrooms are modest both in physical footprint and gaming choices that we may offer local customers. Each property has a maximum of 15 card tables. In addition to state regulations,

card rooms have to comply with local requirements around zoning and taxes. Class III gaming, such as slots, are not available at our properties in Washington. Each card room is tailored for its neighborhood, often featuring a bar, kitchen, and regular events (such as a drag show brunch at a location in Tukwila), for its customers.

Except for the handful of card games that can be played at a Washington cardroom or at a Tribal casino, the enterprises are vastly different in scale and offerings.

Is Maverick Gaming owned by out-of-state, maybe even foreign investors from other countries?

No. Maverick's finances, and those of its owners, are required to be disclosed to and vetted in detail by the State Gambling Commission, a regulatory requirement designed to identify and prevent corruption in the industry. Maverick Gaming's \$500 million investment in the state, and each enterprise it owns and operates (including LLCs it purchased), does so under the Maverick Gaming umbrella, which is based in Kirkland, Washington. References to LLCs in the public record that are owned and operated by Maverick Gaming but based outside of Washington may be described as a "foreign entity LLC." This means that it is a property operating elsewhere in the United States, such as Colorado or Nevada. It does not mean that it is a business own or operated outside of the United States.

In addition to disclosing its source of funds as required by its regulator, Maverick Gaming also publicly shares information on its financing on its website via [press release](#): Deutsche Bank, Credit Suisse, Jefferies Group and US Bank. A review of records provided by the Washington State Gambling Commission confirms that Maverick Gaming's financing is analogous to financing of Tribal casinos in Washington.



A Brief History of Gambling in Washington State

1971-1986

When card rooms were first authorized by the Legislature, the parameters of their operations reflected their times: gambling was newly legal in Washington following a public vote and a cautious Legislature sought to bring gambling out of the corrupt shadows while stopping well short of Las Vegas style gambling.

1987-2006

When Tribal casinos first opened their doors and significantly changed the gambling sector in Washington, the Legislature again updated the parameters for commercial card rooms to reflect the times: additional tables and the ability for house-banked operations.

- "Commercial stimulant" definition revised by Legislature so that cardrooms no longer defined as a secondary business or "incidental" to another operation.

2006-TODAY

The Commission has subsequently followed the Legislature's lead in updating wager limits to reflect the ongoing economic and competitive evolution of gambling in our state.

Like restaurants, theatres and sports events, playing cards is one choice people have for entertainment. Over the past 50 years, the Legislature has adopted policy and the Washington State Gambling Commission has enacted rules that affirm the ability of cardrooms to operate in an evolving business environment, including after the launch of now several thriving Las Vegas style Tribal casinos.

1971 – The Legislature adopts HB 291 to create broad framework for legal gambling in Washington. Governor vetoes the legislation.

1972 – [SJR5](#) approved by WA voters (61.67-38.33), the measure repealed the prohibition against lotteries and instituted a requirement of a supermajority vote via the legislature or

a ballot measure to conduct one. The measure amended [Section 24 of Article II](#) of the Washington State Constitution.

1973 – Gambling Commission created. Legislature authorizes pull tabs, bingo, raffles, card rooms and "Las Vegas Night" fund-raisers. Governor vetoes card rooms [SHB 711](#).

As passed by the Legislature, SHB 711 included card rooms and social card games, but Governor Evans used his line item veto to strip the bill of card rooms and social card games. He argued that "It is clear from the last election that the people desire bingo and raffles. However, I believe that we should proceed to establish the gambling commission and allow it to experience in this area before moving further direction of allowing other activities."

1974 – Card rooms approved – [SHB 473](#) – (emergency clause attached but vetoed. Certain aspects of card games also vetoed e.g. entrance fee)

"The legislature hereby authorizes any person, association or organization to conduct social card games and to utilize punch boards and pull-tabs as a commercial stimulant."

Governor Evans again used his line item veto for aspects of the bill concerning card rooms. While allowing the new authorization this time to proceed, he vetoed language that he believed would make it too easy to host a card game, saying "These items all for public card rooms which pose serious problems of have the effect of paving the way enforcement to local police officials and foster a climate of open tolerance and/or clandestine payoffs for non- enforcement of gambling laws and regulations."

The Legislatures bill also blocked any local jurisdiction from imposing a ban on card rooms. Evans vetoed this language. He also vetoed the emergency clause.

The Commission maintains a [list of local bans](#).

1980 - [Gamscam](#)

1981 – Allowance for a local tax on card room revenue increased from 5% to 20% (there is no state tax on gambling). Fees from card rooms support the operations of its regulatory body, the Washington State Gambling Commission. [SB 3307](#)

1982 – Legislature authorizes state lottery (budget crisis - \$235 million deficit). [HB 1251](#)

1987 – The Legislature recodifies existing statutes regulating gambling, creating new definitions and other updates. In a new section, the Legislature in adopting [HB 6](#) determined the definition of "commercial stimulant" relating to social card games as:

“an activity that is an incidental activity operated in connection with, and incidental to, an established business, with the primary purpose of increasing the volume of sales of food or drink for consumption on that business premises.”

1988-92 – Congress authorizes Indian Gaming Regulatory Act, Tulalips and Lummi first Tribes in WA to complete compact negotiations and open their casinos in 1992.

1994 – Activities defined as a “commercial stimulant” are no longer defined as only secondary or incidental to an established business. By a 95-0 vote in the House and 35-14 vote in the Senate, the Legislature amends in [HB 2382](#) the definition of “commercial stimulant” relating to social card games, striking the two instances of the word “incidental” and one of “primary:”

“Commercial stimulant,’ as used in this chapter, means an activity is operated as a commercial stimulant, for the purposes of this chapter, only when it is an ~~incidental~~ activity operated in connection with, ~~and incidental to,~~ an established business, with the ~~primary~~ purpose of increasing the volume of sales of food or drink for consumption on that business premises.”

1996 – Card rooms expanded from 5 tables to 15 tables. [SB 6430 bill page.](#)
[Bill Text](#)

[Senate Bill report](#)

This legislation as introduced in the Senate would expand tables from 5 to 15 and allow for house-banked card rooms. However, a substitute bill removed allowing house-banked card rooms and replaced that provision by allowing for player-supported progressive prize contests. After passing the Senate, the House attached an amendment to provide the Commission \$1 million from the General Fund. After passing the House, the Senate refused to concur and the House receded from the amendment before again passing the bill (this time with 5 more yay votes).

Testimony against: Dick Dorsett, Pierce County; Maureen Morris, Association of Cities.

Testimony for: Senator Schow, prime sponsor; Steven Downen, Riverside Inn; George Teeney, card room operator; Dave Pardee, Skyway Bowl; Robert Saucier, Mars Hotel; Fred Steiner, Diamond Lil’s; Art Lawerson, Cafe International; Lou Dales, Tower Inn

Senate sponsors: Schow, Spanel

House sponsors: Thompson, Quall, Thomas,
L., Clements, Schmidt, Blanton, Buck, Schoesler, Cairnes, Conway

Senate approved 30-14-5

House approved 78-13-7 on first vote, 83-15-0 on second vote.

Governor signed (Lowry)

1997 – Nontribal House-banked card rooms approved, adding “house-banked” to definition of social card games. [SB 5560 bill page](#).

[Bill Text](#)

[House Bill Testimony Summary](#): “The house would make more money acting as the banker. The commission would still set wagering limits and establish the number of tables up to the maximum allowed under current law. This bill will allow card rooms to compete with the tribal casinos.”

[Senate Floor Debate](#) - ~35:00 – Sen. Schow says that the update was so that the Commission would know everyone who is participating in a game.

[House Floor Debate](#) - ~1:07:00 – Rep. McMorris says that the update is needed so not just anyone can bank a game and will allow owners of card rooms to make sure the games are run well. Rep. Wood says this will help a lot of the small card rooms.

[House Bill report](#)

No testimony against. Pro Testimony: Steve Down, Recreational Gaming Association; Rob Saucier, Mars Hotel; and Julia Porter, Eddie’s Diner.

Senate Sponsors: Schow, Prentice, Snyder, Anderson, Horn
House Sponsors: Cairnes, Hatfield, Conway, Fisher, Zellinsky
Senate Approved 44-1, House Approved 97-0
Governor signed (Locke)

2006 – Wager limits for card rooms increased to \$200 at all tables. Previously, a \$200 wager limit was only allowed at three tables per card room.

2007 – Rules published in the [Washington State Register](#) by the Washington State Gambling Commission, defining the sale of food and drink by card game licensees as a “commercial stimulant” that should not be included in gross gambling receipts:

“If card game licensees prepare and provide food and drink as a part of the entry fee, they may treat the fair market value of the food and drink as commercial stimulant sales and not include it as gross gambling receipts.”

2008 – Card rooms allowed to expand hours to operate seven days a week, 24 hours per day. Previously, card rooms were only authorized to operate 20 hours per day.

2009 – Wager limits for card rooms increased to \$300 at all tables. Previously, a wager limit of \$200 was in place for all tables.

2012 – Card rooms authorized to offer carryover pots for up to 10 games. This was previously not authorized. Wager limits for “Texas hold ‘em” games raised from \$40 to \$100.

December 1, 2022 - Maverick-provided spreadsheet on wagering limits in other states

State	Table Limit	Craps	Roulette	Baccarat	Website	Notes
Alabama	NA	NA	NA	NA		
Alaska	NA	NA	NA	NA		
Arizona	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	https://gaming.az.gov/	Sports betting racetracks & OTBs
Arkansas	NA	NA	NA	NA	Arkansas Casino Gaming Rules Department of Finance and Administration	Horse racing only
California	Unlimited	Unlimited	Unlimited	Unlimited	http://www.cgcc.ca.gov/	
Colorado	Unlimited	Unlimited	Unlimited	Unlimited	https://sbg.colorado.gov/gaming/limited-gaming	
Connecticut	NA	NA	NA	NA		Sports betting Lottery retailers
Delaware	Unlimited	Unlimited	Unlimited	Unlimited	203 Video Lottery and Table Game Regulations (delaware.gov)	Wagers set by licensee and approved by th agents. Sports betting lottery retailers and Racinos
Florida	NA	NA	NA	NA	Statutes & Constitution :View Statutes : Online Sunshine (state.fl.us)	Pari-mutuel Betting not house banked
Georgia	NA	NA	NA	NA		Only one casino cruise ship
Hawaii	NA	NA	NA	NA		
Idaho	NA	NA	NA	NA		Illegal
Illinois	Unlimited	Unlimited	Unlimited	Unlimited	https://www.igb.illinois.gov/	Wagers set by the licensee
Indiana	1,000/2,000	1,000/2,000	1,000/2,000	1,000/2,000	Called French Lick casino	Main wager/ high limit respectively
Iowa	NA	NA	NA	NA	Gaming Fees Iowa Racing and Gaming Commission	Pari-mutuel betting race tracks and river boats
Kansas	Unlimited	Unlimited	Unlimited	Unlimited	20120213_112-108-38.pdf (ks.gov)	Set by licensee
Kentucky	NA	NA	NA	NA		Horse racing and slots only
Louisiana	Unlimited	Unlimited	Unlimited	Unlimited	http://lgcb.dps.louisiana.gov/	Set by licensee
Maine	NA	NA	NA	NA	Casino Statute and Rules - Gambling Control Unit (maine.gov)	Electronic table games only
Maryland	\$500	\$500	\$500	\$500	Called Rocky Gap Casino	
Massachusetts	\$1,000	\$1,000	\$1,000	\$1,000	Called MGM Springfield Casino	
Michigan	Unlimited	Unlimited	Unlimited	Unlimited	Called MGM Detroit Casino	Must be approved by their Agents
Minnesota	NA	NA	NA	NA	Home Minnesota Gambling Control Board (mn.gov)	Charitable gaming only
Mississippi	Unlimited	Unlimited	Unlimited	Unlimited	Pearl River Resort	Must be approved by their Agents
Missouri	Unlimited	Unlimited	Unlimited	Unlimited	MISSOURI GAMING COMMISSION (mo.gov)	
Montana	Poker - Pot Limit of \$800	NA	NA	NA	https://rules.mt.gov/gateway/ChapterHome.asp?Chapter=23%2E16	Non Tribal Poker Only
Nebraska					https://revenue.nebraska.gov/	Sports betting Racinos only
Nevada	Unlimited	Unlimited	Unlimited	Unlimited	https://gaming.nv.gov/	
New Hampshire	NA	NA	NA	NA	Welcome NH Racing and Charitable Gaming Commission	Sports betting, Lottery and Charitable gaming
New Jersey	Unlimited	Unlimited	Unlimited	Unlimited	Called Borgata Casino in Atlantic City	Gaming notified.
New Mexico	NA	NA	NA	NA	Regulations New Mexico Gaming Control Board (nm.gov)	
New York	NA	NA	NA	NA	NYS Gaming Commission : Gaming	Electronic table games only
North Carolina	NA	NA	NA	NA		Tribal, bingo, raffles and charitable
North Dakota	NA	NA	NA	NA	Gaming Attorney General (nd.gov)	Charitable, online tribal and lottery
Ohio	\$5,000	\$5,000	\$5,000	\$5,000	Jack Casino Cleveland	
Oklahoma	NA	NA	NA	NA		
Oregon	NA	NA	NA	NA	https://www.doi.state.or.us/charitable-activities/charitable-gaming/charitable-gaming-license-applications-and-reports/	Sports betting lottery retailers and online
Pennsylvania	Unlimited	Unlimited	Unlimited	Unlimited		In person and iGaming
Rhode Island	10000	200	200	10000		
South Carolina	1000	500	500	NA		Boat only
South Dakota	1000	1000	1000	1000	https://dor.sd.gov/businesses/gaming/sd-commission-on-gaming/	
Tennessee	NA	NA	NA	NA		Sports betting online only
Texas	NA	NA	NA	NA	https://statutes.capitol.texas.gov/Docs/CN/htm/CN.3.htm#3.47	
Utah	NA	NA	NA	NA		
Vermont	NA	NA	NA	NA		
Virginia	50000	50000	50000	50000		
Washington	300	NA	NA	300	https://www.wsgc.wa.gov/	
Washington, D.C.	NA	NA	NA	NA		
West Virginia	Unlimited	Unlimited	Unlimited	Unlimited	http://www.wvlegislature.gov/WVCODE/Code.cfm?chap=29&art=22C#22C	Must be approved by state lottery commission
Wisconsin	No	No	No	No		
Wyoming	No	No	No	No		Sports betting online only

Lohse, Jess (GMB)

From: no-reply@wsgc.wa.gov on behalf of Washington State Gambling Commission via Washington State Gambling Commission <no-reply@wsgc.wa.gov>
Sent: Friday, January 27, 2023 2:19 PM
To: Rules Coordinator (GMB)
Subject: Request for Public Comment Submission from wsgc.wa.gov

External Email

Submitted on Friday, January 27, 2023 - 2:18pm Submitted by anonymous user: 74.82.229.35 Submitted values are:

Select a Topic: Petition for Rule Change: Wagering limits for house-banked card games

Name: Jerry Howe

Organization: Ellensburg Gaming, Inc.

Comments: We are a small room that caters to locals and we don't have very many customers that would utilize the higher limits, but it would be a nice option to have for those that are interested. It would allow us to keep more of the local customers at home rather than them leaving our area to seek out higher limits. These new proposed limits would merely catch us up to how much everything else has increased in recent years.

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%2F3776&data=05%7C01%7Crules.coordinator%40wsgc.wa.gov%7C6cc9ea8ddb2b49f351f808db00b476bc%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C638104547350714236%7CUnknown%7CTWFpbGZsb3d8eyJWlloiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTil6lk1haWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=czXD47C2d%2FnhgT4Tu%2BgOFgYsj4urVmApZcFGmypONA8%3D&reserved=0>



Rule Petition to Amend

- WAC 230-03-200 – Defining “gambling equipment.”
- WAC 230-06-035 – Credit, loans, or gifts prohibited.
- WAC 230-15-150 – Selling and redeeming chips.
- WAC 230-15-280 – Surveillance requirements for house-banked card games
- WAC 230-15-500 – Accounting for table inventory.
- WAC 230-15-505 – Selling gambling chips to players.
- WAC 230-15-585 – Using drop boxes.
- WAC 230-15-615 – Conducting the count.
- WAC 230-15-620 – Concluding the count.

Rule Petition for New Rules

- WAC 230-06-006 – Defining “debit card.”
- WAC 230-15-151 – Accepting checks in exchange for chips at non-house-banked card games.
- WAC 230-15-506 – Using debit cards to purchase chips on house-banked card games.
- WAC 230-15-507 – Debit card reading devices used on house-banked card games.

March 2023 – Discussion and Possible Filing

May 2022 – Commission Review

April 2022 – Rule-Making Petition Received

Tab 8: MARCH 2023 Commission Meeting Agenda.	Statutory Authority 9.46.070
Who Proposed the Rule Change?	
Jan Espejo, Light and Wonder, Las Vegas, Nevada	
Background	
<p>BOLD = Changes made after the May 2022 Commission Meeting.</p> <p>Jan Espejo, Light and Wonder, of Las Vegas, Nevada, is proposing to amend WAC 230-15-150, Selling and redeeming chips, to allow chips to be sold using debit cards.</p> <p>The petitioner feels this change is needed because Light and Wonder has a new product called AToM, which is a tabletop ATM (automated teller machine) that allows players to pay for chips using a debit card without leaving the table.</p> <p>The petitioner feels the effect of this rule change would be the ability to purchase chips at the gaming table using a debit card.</p> <p>Currently, only cash is allowed to purchase chips at gaming tables. WAC 230-06-035(3) allows for debit card transactions (i.e., electronic point-of-sale bank transfer), however, at cardrooms, all other transactions are taking place at the cashier’s cage or at an ATM. There are no requirements regarding where an ATM is located within each cardroom. Players may obtain cash or cash advances from their debit or credit cards at an ATM.</p> <p>Allowing debit card transactions at tables may allow for more control over cash withdrawals. In Nevada, operators can set daily limits on the amount of cash patrons are allowed to withdraw from their accounts. Those limits are set for each patron and require a 24-hour waiting period prior to any change to their limits. Currently, any limits on ATM withdrawals would be imposed by the patron’s bank. In addition, a responsible gaming message is displayed either near the system or on a printed item given to the patron.</p>	

Other potential controls with the use of debit transactions may be less cash being transferred between patrons and operators and less chance of operators accepting counterfeit bills.

Staff noted that other rules in addition to WAC 230-15-150 may need to be amended to allow for debit transactions.

Before you today is draft language which:

- **Classifies debit card reading devices as gambling equipment; and**
- **Defines debit card; and**
- **Describes procedures regarding how debit cards can be used to purchase chips on house-banked-card games; and**
- **Describes technical controls related to debit card reading devices on house-banked card games; and**
- **Updates language on authorized payment methods for gambling to include debit cards; and**
- **Updates language on how chips may be sold to players at house-banked gaming tables; and**
- **Clarifies payment methods utilizing checks for nonhouse-banked card gaming tables; and**
- **Requires surveillance coverage for debit card reading devices at gaming tables; and**
- **Updates language on how table inventory is accounted for; and**
- **Clarifies what items are placed in drop boxes to include debit card transactions receipts; and**
- **Updates language related to soft count procedures, which includes debit card transactions receipts.**

Attachments:

- Petition
- WAC 230-15-150
- **Draft “amended” rules to include: WAC 230-03-200, 230-06-035, 230-15-150, 230-15-280, 230-15-500, 230-15-505, 230-15-585, 230-15-615, and 230-15-620.**
- **Draft “new” rules to include: WAC 230-06-006, 230-15-151, 230-15-506, and 230-15-507.**

Stakeholder Feedback

On September 28, 2022, staff held a stakeholder meeting to discuss the debit card petition. There were 14 participants from the gaming industry. The consensus was support for the petition to authorize debit cards as a payment method to receive gaming chips on house-banked card gaming tables. No participant in the meeting was against the petition.

On September 28, 2022, staff held a meeting with tribal partners to discuss three outstanding petitions, including the debit card petition.

On September 29, 2022, staff received an email from Paul Milbourn, no affiliated organization noted. Milbourn was against the petition to authorize debit cards to purchase gaming chips. Per Milbourn, *“This change would further abstract a gambler's conception of money they own vs money they can afford to lose. With the existing system one is allowed a brief moment of reflection during the process, reducing that threshold of effort to taps on a screen would be a small convenience with a massive cost - particularly for problem gamblers lost in the moment and especially for their families at home.”*

Attachment:

- **Milbourn Email**

Policy Considerations

Pursuant to RCW 9.46.070 (11), the Commission has the power and authority to “*establish the type and scope of and manner of conducting gambling activities authorized by this chapter, including but not limited to, the extent of wager, money, or thing of value which may be wagered or contributed or won by a player...*”

Staff has the following policy considerations:

- Will need to put controls in place to account for debit card transactions in gaming records (calculating win/loss for table (i.e., gross gambling receipts)).
- Changing current practice of cash-only at tables and allowing debit card transactions.
- Address responsible gaming with daily transfer limits, messaging, and other industry best practices.

Problem Gambling Implications

Staff reached out to the Evergreen Council on Problem Gambling for feedback and further resources to determine the impacts of problem gambling should the purchase of playing chips at gaming tables through the use of a debit card be allowed. ECPG were not aware of any research on the specific device, however referenced studies on the correlation between speed of play and problem gambling. ECPG noted that, having access to an ATM at the table allows players to continue to play without a break to have to go to the cage – and thereby increases the speed of play.

Staff Recommendation

Your options are to:

- 1) **File the draft language for further discussion; or**
- 2) **Request staff to continue to work on draft language; or**
- 3) **File amended language (make changes during the public meeting); or**
- 4) **Withdraw the notice of rule-making and state any reasons for the withdrawal.**

Laydon, Ashlie (GMB)

From: no-reply@wsgc.wa.gov on behalf of WSGC Web <no.reply@wsgc.wa.gov>
Sent: Wednesday, April 6, 2022 2:50 PM
To: Rules Coordinator (GMB)
Subject: Request a Rule Change Submission from wsgc.wa.gov

External Email

Submitted on Wednesday, April 6, 2022 - 2:50pm Submitted by anonymous user: 208.78.228.100 Submitted values are:

Petitioner's Name: Jan Espejo
Mailing Address: 6601 Bermuda Road
City: Las Vegas
State: NV
Zip Code: 89119
Phone:
Email: jespejo@lnw.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: 230-15-150

I am requesting the following change: In addition to cash and checks, Light and Wonder would like to request that chips may be sold using debit cards.

This change is needed because: Light and Wonder has an upcoming product called AToM, which is a tabletop ATM. This product will allow players to pay for chips with a debit card without having to leave the table.

The effect of this rule change will be: Debit cards will be allowed to purchase chips.

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%2F3287&data=04%7C01%7Crules.coordinator%40wsgc.wa.gov%7C17885753901e46b7665c08da1817776c%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C637848786312945252%7CUnknown%7CTWFpbGZsb3d8eyJWljiM C4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6IjEhaWwiLCJXVCi6Mn0%3D%7C3000&sd=qqiUZRloGnxyVCC3FT0QzL5Vpm5gOJlbmJIPTBEfall%3D&reserved=0>

RULE PETITIONER WISHES TO AMEND

WAC 230-15-150 Selling and redeeming chips. (1) Card game licensees must:

- (a) Sell chips and redeem chips at the same value; and
- (b) Sell chips for cash at gambling tables; and
- (c) Keep all funds from selling chips separate and apart from all other money received; and
- (d) Not extend credit to a person purchasing chips, including to card room employees playing cards; and

(2) Licensees may accept checks, if the checks meet the requirements of WAC 230-06-005. They must:

(a) Deposit any check retained after the close of business no later than the second banking day after the close of business. Checks deposited to an armored car service no later than the second banking day after the close of business meet this requirement; and

(b) Count each transaction for the purchase of chips as a separate transaction. (Example: They must not allow a player's check to be altered after it is exchanged for chips.)

[Statutory Authority: RCW 9.46.070. WSR 07-10-034 (Order 611), § 230-15-150, filed 4/24/07, effective 1/1/08.]

RULES REQUIRING AMENDMENTS (as indicated by strike-outs and underlines)

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;
(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) Electronic devices for reading and displaying outcomes of gambling activities; and
(c) 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) Electronic raffle systems;
(7) 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;
(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;
(8) Debit card reading devices used at gambling tables to sell chips to players.

WAC 230-06-035 Credit, loans, or gifts prohibited. (1) Licensees, employees, or members must not offer or give credit, loans, or gifts to any person playing in an authorized gambling activity or which makes it possible for any person to play in an authorized gambling activity.

(2) Gifts are items licensees give to their customers. Licensees must not connect these gifts to gambling activities we regulate unless the gifts are:

(a) Gambling promotions; or

- (b) Transportation services to and from gambling activities; or
- (c) Free or discounted food, drink, or merchandise which:
 - (i) Costs less than (~~five hundred dollars~~) \$500 per individual item; and
 - (ii) Must not be traded back to you for cash; and
 - (iii) Must not give a chance to participate further in an authorized gambling activity.
- (3) You must collect the price required to participate in the gambling activity in full before allowing someone to participate. (~~Licensees must collect~~) Authorized payment methods include cash, check, gift certificate, gift card, or (~~electronic point-of-sale bank transfer~~) debit card.
- (4) If the price paid for the opportunity to play a punch board or pull-tab series is (~~ten dollars~~) \$10 or less, licensees may collect the price immediately after the play is completed.
- (5) If a charitable or nonprofit organization has a regular billing system for all of the activities of its members, it may use its billing system in connection with the playing of any licensed activities as long as the organization limits play to full and active members of its organization.
- (6) Charitable or nonprofit organizations may allow credit cards, issued by a state regulated or federally regulated financial institution, for payment to participate in raffles.

WAC 230-15-150 Selling and redeeming chips. (~~(+1)~~) Card game licensees must:

- ~~(a)~~ (1) Sell chips and redeem chips at the same value; and
- ~~(b)~~ (2) Sell chips for cash at gambling tables. Provided that house-banked card game licensees may allow players to use debit cards to purchase chips at house-banked card game tables in accordance with 230-15-506 and 230-15-507; and
- ~~(c)~~ (3) Keep all funds from selling chips separate and apart from all other money received; and
- ~~(d)~~ (4) Not extend credit to a person purchasing chips, including to card room employees playing cards(~~;~~ and
- ~~(2) Licensees may accept checks, if the checks meet the requirements of WAC 230-06-005. They must:~~
 - ~~(a) Deposit any check retained after the close of business no later than the second banking day after the close of business. Checks deposited to an armored car service no later than the second banking day after the close of business meet this requirement; and~~
 - ~~(b) Count each transaction for the purchase of chips as a separate transaction. (Example: They must not allow a player's check to be altered after it is exchanged for chips.)~~

WAC 230-15-280 Surveillance requirements for house-banked card games. House-banked card game licensees must use a closed circuit television system (CCTV) to closely monitor and record all gambling activities and areas, including, at least:

- (1) Each table, including:
 - (a) Cards; and
 - (b) Wagers; and
 - (c) Chip tray; and
 - (d) Drop box openings; and
 - (e) Table number; and
 - (f) Card shoe; and
 - (g) Shuffling devices; and
 - (h) Players; and
 - (i) Dealers; and
 - (j) Debit card reading devices at gambling tables; and
- (2) The designated gambling areas; and
- (3) The cashier's cage, including:
 - (a) Outside entrance; and
 - (b) Fill/credit dispenser; and
 - (c) Customer transactions; and
 - (d) Cash and chip drawers; and
 - (e) Vault/safe; and
 - (f) Storage cabinets; and
 - (g) Fill or credit transactions; and
 - (h) Floor; and
- (4) The count room, including:
 - (a) The audio; and
 - (b) Count table; and
 - (c) Floor; and
 - (d) Counting devices; and
 - (e) Trolley; and
 - (f) Drop boxes; and
 - (g) Storage shelves/cabinets; and
 - (h) Entrance and exit; and
- (5) The movement of cash, gambling chips, and drop boxes; and
- (6) Entrances and exits to the card room.

WAC 230-15-500 Accounting for table inventory. (1) House-banked card game licensees must establish procedures to ensure proper accounting for chips and coins stored at gambling tables, known as the "table inventory."

(2) Licensees must not add or remove chips or coins from the table inventory except:

- (a) In exchange for cash from players; or
- (b) In exchange for debit card transactions from players according to WAC 230-15-506; or
- (c) To pay winning wagers and collect losing wagers made at the gambling table; or
- ~~((+e))~~ (d) In exchange for chips received from a player having an equal total face value (known as "coloring up" or "coloring down"); or
- ~~((+d))~~ (e) In compliance with fill and credit procedures.

WAC 230-15-505 Selling gambling chips to players. House-

banked card game licensees must accurately account for all chips, debit card transaction receipts, and cash when they sell chips to players. Licensees must sell chips only at the gambling table.

WAC 230-15-585 Using drop boxes. (1) House-banked card game licensees must use a drop box to collect all cash, chips, coins, debit card transaction receipts, requests for fill, fill slips, requests for credit, credit slips, and table inventory forms.

(2) The dealer or the floor supervisor must deposit these items in the drop box.

WAC 230-15-615 Conducting the count. (1) All house-banked card room licensees must have a three person count team except as set forth in subsections (2) and (3) of this section. The three person count team must conduct the count as follows:

(a) The contents of drop boxes must not be combined before the count team separately counts and records the contents of each box; and

(b) As each drop box is placed on the count table, a count team member must announce the game, table number, and shift, if applicable, loudly enough to be heard by all persons present and to be recorded by the audio recording equipment; and

(c) A count team member must empty the contents onto the count table; and

(d) Immediately after the contents are emptied onto the count table, a count team member must display the inside of the drop box to the closed circuit television camera, and show it to at least one other count team member to confirm that all contents of the drop box have been removed. A count team member must then lock the drop box and place it in the drop box storage area; and

(e) Count team member(s) must separate the contents of each drop box into separate stacks on the count table by denominations of coin, chips, and ~~((currency))~~ cash and by type of form, record, or document; and

(f) At least two count team members must count, either manually or mechanically, each denomination of coin, chips, ~~((and—currency))~~ cash, and debit card transaction receipts separately and independently. Count team members must place individual bills and coins of the same denomination and debit card transaction receipts on the count table in full view of the closed circuit television cameras, and at least one other count team member must observe and confirm the accuracy of the count orally or in writing; and

(g) As the contents of each drop box are counted, a member of the count team must record the total amount of coin, chips, ~~((and—currency))~~ cash, and debit card transaction receipts counted (the drop) on the master games report; and

(h) If a cage cashier has recorded the opener, closer, fill slips, and credit slips on the master game report before

the count, a count team member must compare the series numbers and totals recorded on the master game report to the fill slips, credit slips, and table inventory slips removed from the drop boxes, confirm the accuracy of the totals, and must record, by game and shift, the totals we require on the master game report. Otherwise, the count team must complete all required information on the master game report; and

(i) The accounting department may complete the win/loss portions of the master game report independently from the count team if this is properly documented in the approved internal controls.

(2) The two person count team for licensees with card game gross gambling receipts of less than \$5 million in their previous fiscal year must conduct the count as follows:

(a) The contents of drop boxes must not be combined before the count team separately counts and records the contents of each box; and

(b) As each drop box is placed on the count table, a count team member must announce the game, table number, and shift, if applicable, loudly enough to be heard by all persons present and to be recorded by the audio recording equipment; and

(c) A count team member must empty the contents onto the count table; and

(d) Immediately after the contents are emptied onto the count table, a count team member must display the inside of the drop box to the closed circuit television camera, and show it to at least one other count team member to confirm that all contents of the drop box have been removed. A count team member must then lock the drop box and place it in the drop box storage area; and

(e) A count team member must separate the contents of each drop box into separate stacks on the count table by denominations of coin, chips, and ~~((currency))~~ cash and by type of form, record, or document; and

(f) One count team member must count, either manually or mechanically, each denomination of coin, chips, ~~((and currency))~~ cash, and debit card transaction receipts separately and independently. The count team member must place individual bills and coins of the same denomination and debit card transaction receipts on the count table in full view of the closed circuit television cameras, and the other count team member must observe and confirm the accuracy of the count orally or in writing; and

(g) As the contents of each drop box are counted, a member of the count team must record the total amount of coin, chips, ~~((and currency))~~ cash, and debit card transaction receipts counted (the drop) on the master games report; and

(h) As the count is occurring, a surveillance employee must record in the surveillance log the total chip ~~((and currency count of))~~ cash, and debit card transaction receipts counted for each drop box and the announcement by the count team of the combined dollar count of all drop boxes; and

(i) If a cage cashier has recorded the opener, closer, fill slips, and credit slips on the master game report before the count, a count team member must compare the series numbers and totals recorded on the master game report to the fill slips, credit slips, and table inventory slips removed from the drop boxes, confirm the accuracy of the totals, and must record, by game and shift, the totals we require on the master game report. Otherwise, the count team must complete all required information on the master game report; and

(j) The accounting department may complete the win/loss portions of the master game report independently from the count team if this is properly documented in the approved internal controls.

(3) The two person count team for licensees with card game gross gambling receipts between \$5 million and \$15 million in their previous fiscal year and use a currency counter must conduct the count as follows:

(a) The currency counter to be used must meet the following requirements:

(i) Automatically provides two separate counts of the funds at different stages in the count process. If the separate counts are not in agreement during the count process and the discrepancy cannot be resolved immediately, the count must be suspended until a third count team member is present to manually complete the count as set forth in subsection (1) of this section until the currency counter is fixed; and

(ii) Displays the total bill count and total dollar amount for each drop box on a screen, which must be recorded by surveillance.

(b) Immediately prior to the count, the count team must verify the accuracy of the currency counter with previously counted currency for each denomination actually counted by the currency counter to ensure the counter is functioning properly. The test results must be recorded on the table games count documentation and signed by the two count team members performing the test; and

(c) The currency counter's display showing the total bill count and total dollar amount of each drop box must be recorded by surveillance during the count; and

(d) The contents of drop boxes must not be combined before the count team separately counts and records the contents of each box; and

(e) As each drop box is placed on the count table, a count team member must announce the game, table number, and shift, if applicable, loudly enough to be heard by all persons present and be recorded by the audio recording equipment; and

(f) A count team member must empty the contents onto the count table; and

(g) Immediately after the contents are emptied onto the count table, a count team member must display the inside of the drop box to the closed circuit television camera, and show it to the other count team member to confirm that all contents of the

drop box have been removed. A count team member must then lock the drop box and place it in the drop box storage area; and

(h) Count team member(s) must combine all ~~((currency))~~ cash into one stack and separate the contents of each drop box into separate stacks on the count table by denomination of coin and chips, by type of form, record, or document; and

(i) Count team members must place all of the ~~((currency))~~ cash from a drop box into the currency counter which will perform an aggregate count by denomination of all of the currency collected from the drop box; and

(j) One count team member must count each denomination of coin ~~((and))~~, chips, and debit card transaction receipts separately and independently by placing coins and chips of the same denomination on the count table in full view of the closed circuit television cameras, and the other count team member must observe and confirm the accuracy of the count orally or in writing; and

(k) As the contents of each drop box are counted, a member of the count team must record the total amount of coin, chips, ~~((and—currency))~~ cash, and debit card transaction receipts counted (the drop) on the master games report; and

(l) As the count is occurring, a surveillance employee must record in the surveillance log the currency counter accuracy information in (b) of this subsection, currency verification amount, debit card transaction receipt amount, total bill and dollar count of each drop box and the announcement by the count team of the combined dollar count of all drop boxes; and

(m) If a cage cashier has recorded the opener, closer, fill slips, and credit slips on the master game report before the count, a count team member must compare the series numbers and totals recorded on the master game report to the fill slips, credit slips, and table inventory slips removed from the drop boxes, confirm the accuracy of the totals, and must record, by game and shift, the totals we require on the master game report. Otherwise, the count team must complete all required information on the master game report; and

(n) The accounting department may complete the win/loss portions of the master game report independently from the count team if this is properly documented in the approved internal controls.

WAC 230-15-620 Concluding the count. (1) After the count team finishes their count, the cage cashier or accounting department employee must verify the contents of the drop boxes.

(2) In the presence of the count team and before looking at the master game report, the verifier must recount the cash, coin, chips, and debit card transaction receipts either manually or mechanically.

(3) The verifier must sign the master game report verifying that the cash (~~count is~~) and debit card transaction receipt counts are accurate.

(4) Each count team member must sign the report attesting to the accuracy of the information recorded.

(5) After the report is signed, the master game report must be taken directly to the accounting department, along with the debit card transaction receipts, requests for fills, the fill slips, the requests for credit, the credit slips, and the table inventory slips removed from drop boxes. The cage cashiers must not be allowed access to any of these records.

RULE PETITION FOR NEW RULES

NEW SECTION

WAC 230-06-006 Defining debit card. "Debit card," as used in this title, means a physical payment card linked to and issued by a bank, mutual savings bank, or credit union regulated by the department of financial institutions or any federally regulated commercial institution, for the purposes of making payments for purchases or services electronically in place of cash. Debit cards must be linked to checking or savings accounts with funds on deposit and available to be withdrawn.

NEW SECTION

WAC 230-15-151 Accepting checks in exchange for chips at non-house-banked card games. Nonhouse-banked card game licensees may accept checks for the purchase of chips if the checks meet the requirements of WAC 230-06-005. Licensees must:

(1) Deposit any check retained after the close of business no later than the second banking day after the close of business. Checks deposited to an armored car service no later than the second banking day after the close of business meet this requirement; and

(2) Count each transaction for the purchase of chips as a separate transaction. Licensees must not allow a player's check to be altered after it is exchanged for chips.

NEW SECTION

WAC 230-15-506 Using debit cards to purchase chips on house-banked card games. House-banked card game licensees may allow a player to use a debit card to purchase chips at house-banked card games under the following conditions:

(1) The licensee must use approved debit card reading devices to process the debit card transactions; and

(2) The debit card transaction must be initiated at an approved gambling table; and

(3) A supervisor must be present at the gambling table during the debit card transaction; and

(4) The dealer or supervisor must examine the player's identification to confirm the player's identity. The dealer or supervisor must verify that the name on the identification matches the name on the debit card; and

(5) Verify the player is not on the state-wide self-exclusion list; and

(6) Not execute a debit card transaction upon notification from the player's financial institution that the available funds in the player's account associated with the debit card are less than the amount requested by the player; and

(7) A single debit card transaction is limited to \$500 or less. Furthermore, aggregated debit card transactions at gambling tables for a single player cannot exceed \$2,500 during a 24-hour period; and

(8) The licensee must prominently post all fees charged by the gaming establishment or system provider associated with the transfer at the gambling table or on the approved debit card reading device; and

(9) The debit card transaction receipt must be deposited into the drop box attached to the gambling table; and

(10) Licensees are required to post at all tables in which the debit transaction may be completed signage with the problem gambling helpline and how to register for the state-wide self-exclusion program at the licensee's establishment. The signage must be in at least the same font as all other signage on the table; and

Conspicuously display on or at the gaming device or game, or on a printed item given to the patron, notice that funds may be approved for transfer from sources other than the account associated with the patron's debit instrument, as determined by the patron's financial institution; and

(11) Licensees must submit internal controls to us in the format we require.

NEW SECTION

WAC 230-15-507 Debit card reading devices used on house-banked card games. House-banked card game licensees may use approved debit card reading devices on house-banked card games to sell chips to players in accordance with WAC 230-15-506. Licensees must use debit card reading devices that:

(1) Are approved and documented in internal controls; and

(2) Execute all transactions in accordance with all applicable state and federal electronic funds transfer requirements including, receipting and fee disclosure requirements; and

(3) Provide real-time accounting reports for each debit card reading device to include patron transaction history by date and time; and

(4) Do not interfere with gaming system interfaces and device operations; and

(5) Do not accept signature debit, credit, and EBT cards; and

(6) Are not used for the purchase of live gaming vouchers that can be used for other authorized gambling activities at the card room; and

(7) Do not execute a transaction for funds that exceed the available amount of funds from the linked bank account; and

(8) Provide a daily monetary transfer limit per patron that does not exceed the limits in WAC 230-15-506. A fee charged by the gaming establishment or system provider associated with a transfer does not contribute to the transfer limit; and that meets or exceeds current industry data that is transmitted.

(9) Employ data encryption that meets or exceeds current industry standards for all data that is transmitted.

Lohse, Jess (GMB)

From: no-reply@wsgc.wa.gov on behalf of WSGC Web <no.reply@wsgc.wa.gov>
Sent: Thursday, September 29, 2022 5:08 PM
To: Rules Coordinator (GMB)
Subject: Request for Public Comment Submission from wsgc.wa.gov

External Email

Submitted on Thursday, September 29, 2022 - 5:08pm Submitted by anonymous user: 98.225.54.72 Submitted values are:

Select a Topic: Petition for Rule Change: Use of debit cards to purchase chips
Name: Paul Milbourn
Organization:
Comments:

This change would further abstract a gambler's conception of money they own vs money they can afford to lose . With the existing system one is allowed a brief moment of reflection during the process, reducing that threshold of effort to taps on a screen would be a small convenience with a massive cost - particularly for problem gamblers lost in the moment and especially for their families at home.

If this change must go through please consider a requirement for win/loss statements to be automatically snail-mailed to the gamblers that choose to use the service, to be sent for every monthly period their debit card is used in this manner. The data already exists , promotional mailings are already being sent and there must be some kind of balance afforded - those families at home deserve your consideration.

The results of this submission may be viewed at:

<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.wsgc.wa.gov%2Fnode%2F19%2Fsubmission%2F3564&data=05%7C01%7Crules.coordinator%40wsgc.wa.gov%7C7c301918a2d84fe8886f08daa277dd37%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C638000932951607179%7CUnknown%7CTWFpbGZsb3d8eyJWljoiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=n8w6jQwUc5Q07MLNh2Nh68fziF4XIQsrST1H%2BsWaGQ4%3D&reserved=0>



Rule Petition to Amend

Chapter WAC 230-15-685 – Restrictions on progressive jackpots.

MARCH 2023 – Commission Review

FEBRUARY 2023 – Rule-Making Petition Received

Tab 9: MARCH 2023 Commission Meeting Agenda.

Statutory Authority 9.46.070

Who Proposed the Rule Change?

Tiffini Cox, representing Galaxy Gaming, Inc of Las Vegas, NV

Background

Tiffini Cox, representing Galaxy Gaming, Inc., is proposing to amend WAC 230-15-685(4)(b) to allow house-banked card room licensees to connect more than one progressive jackpot on different card games. Currently, the rule only allows licensees to connect one progressive jackpot on different card games.

According to WAC 230-15-685(4):

- Progressive jackpots are considered “connected” when jackpot prize displays at gaming tables incrementally increase at the same time after players place jackpot wagers.
- Connected progressive jackpot displays must show the same prize amounts.
- Licensees may only connect progressive jackpots when:
 - Offered on the same card game on multiple tables within the same licensed location; or
 - Offered on different card games on multiple tables within the same licensed location. One progressive jackpot may be operated on a card game at a time, and the card games must have:
 - The same probability of winning the jackpot prize; and
 - The same winning hand.

Currently, licensees can connect multiple progressive jackpots when operated on the same card game. However, licensees can only connect one progressive jackpot when operated on different card games.

The petitioner feels this change is needed for several reasons:

- WAC 230-15-685(4)(a) already allows licensees to connect multiple progressive jackpots when offered on the same game. The proposed amendment in section (4)(b) would agree with what is already authorized in subsection (4)(a).
- WAC 230-15-685(4)(b) already establishes requirements for connected progressive jackpots on different card games. If a licensee connected more than one progressive jackpot to different card games, they would still need to ensure that each jackpot had the same probability of winning the jackpot and the same winning hand.
- Many approved house-banked card games offer multiple progressive jackpots. However, operators are limited to utilizing only one progressive jackpot when they want to connect jackpots across different games. This limits the games operators can offer to their customers.

The petitioner feels the effect of this rule change will enable operators to offer and connect more than one jackpot per table across different card games in the same fashion as is currently allowed across the same card games.

Attachments:

- Petition
- WAC 230-15-685

Policy Considerations

The current language in WAC 230-15-685(4)(b) became effective in November 2015 when the commission authorized progressive jackpots on different card games on multiple tables. There was no specific policy discussion on the issue raised in the current petition; and when the WAC provision was amended in 2021, there were no specific policy concerns raised.

From a regulatory standpoint, the commission already has approved recordkeeping processes for progressive jackpots that this petition would not alter in any way.

Staff Recommendation

Under the requirements of the Administrative Procedure Act, the Commission must take action on a petition within 60 days of receiving it. Staff recommends initiating rule-making on the petition for further discussion.

McLean, Lisa (GMB)

From: no-reply@wsgc.wa.gov on behalf of Washington State Gambling Commission via Washington State Gambling Commission <no-reply@wsgc.wa.gov>
Sent: Tuesday, February 7, 2023 5:12 PM
To: Rules Coordinator (GMB)
Subject: Request a Rule Change Submission from wsgc.wa.gov

External Email

Submitted on Tuesday, February 7, 2023 - 5:12pm Submitted by anonymous user: 24.120.171.202 Submitted values are:

Petitioner's Name: Tiffini Cox - Galaxy Gaming, Inc.

Mailing Address: 6480 Cameron St., Suite 305

City: Las Vegas

State: NV

Zip Code: 89118

Phone: 702-938-1748

Email: tcox@galaxygaming.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 230-15-685

I am requesting the following change:

To remove the portions of section 4b that limit linked progressive jackpots on different card games to only one progressive jackpot per table. Specifically, the following language: “Only one progressive jackpot may be operated on a card game at a time and”

Section 4b will now read: “When offered on different card games on multiple tables within the same licensed location when the following requirements are met. The card games must have:”

This change is needed because:

The requirements to link progressive jackpots on different games are currently set in WAC 230-15-685, section 4b (i) and (ii). If the requirements are followed, there should not be a limitation to operating a single jackpot only when linking on different games. Currently, operators that are interested in adding new games to link to their existing multi-jackpot tables, must decide whether to remove a jackpot, create standalone jackpots for the new game, or reconsider adding the new game in general.

In general, if the requirements for section 4b (i) and (ii) are met, there is no difference between a linked jackpot on the same game or on a different game. Likewise, as linking different games is already allowed with one jackpot, adding more jackpots that follow the requirements, does not alter any requirement, probability, etc.

The effect of this rule change will be:

Operators will be able to link more than one jackpot per table, when linking across different games, in the same fashion as is currently allowed across the same games.

Thank you for your time and consideration. Please feel free to reach out to me anytime with questions.

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%2F3791&data=05%7C01%7Crules.coordinator%40wsgc.wa.gov%7Cda569e7f0eb348e163b408db097181dc%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C638114155336291101%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTil6IklhaWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=fzoyB8qJf2TsnHkiQx48JdP%2FnLBkZWAUuu3ou8vYd18%3D&reserved=0>

WAC 230-15-685 Restrictions on progressive jackpots. House-banked card room licensees operating progressive jackpots must follow these restrictions and procedures:

(1) Progressive jackpot funds must accrue according to the rules of the game.

(2) At each gambling table, licensees must prominently post the amount of the progressive jackpot that players can win along with any associated pay tables.

(3) Licensees may establish a maximum limit on a progressive jackpot prize. If licensees establish a limit, they must make the amount equal to, or greater than, the amount of the jackpot when they imposed the limit. They must prominently post a notice of the limit at or near the game.

(4) Licensees may connect progressive jackpots. Progressive jackpots are considered "connected" when jackpot prize displays at gaming tables incrementally increase at the same time after players place jackpot wagers. Connected progressive jackpot displays must show the same prize amounts. Licensees may only connect progressive jackpots:

(a) When offered on the same card game on multiple tables within the same licensed location; or

(b) When offered on different card games on multiple tables within the same licensed location when the following requirements are met. Only one progressive jackpot may be operated on a card game at a time and the card games must have:

(i) The same probability of winning the jackpot prize; and

(ii) The same winning hand.

(5) When gambling equipment will allow a progressive jackpot between different manufacturers, the gambling equipment must be submitted for testing for interoperability in accordance with WAC 230-06-050.

[Statutory Authority: RCW 9.46.070. WSR 21-11-057, § 230-15-685, filed 5/14/21, effective 6/14/21. Statutory Authority: RCW 9.46.070 and 9.46.0282. WSR 15-21-005 (Order 715), § 230-15-685, filed 10/8/15, effective 11/8/15; WSR 13-13-060 (Order 688), § 230-15-685, filed 6/18/13, effective 7/19/13. Statutory Authority: RCW 9.46.070. WSR 07-09-033 (Order 608), § 230-15-685, filed 4/10/07, effective 1/1/08.]



Rule Petition to Amend

WAC 230-23-015 – Period of enrollment.
WAC 230-23-020 – Voluntary self-exclusion.

MARCH 2023 – Commission Review
JANUARY 2023 – Rule-Making Petitions Received

Tab 11: MARCH 2023 Commission Meeting Agenda.

Statutory Authority 9.46.070

Who Proposed the Rule Change?

Yuri Seyranovich Saaryan, Auburn, WA
Muhammad Aljadallah, Yakima, WA

Background

Yuri Seyranovic Saaryan of Auburn, WA submitted a petition to amend WAC 230-23-015 and WAC 230-23-020 on January 13, 2023. Muhammad Aljadallah of Yakima, WA submitted a similar petition on January 24, 2023. In both cases, the individuals requested a change to the self-exclusion rules. Both individuals claim that they did not understand the full implications of putting themselves on the self-exclusion list and that the process was not completely explained to them. Both petitions request a change to the rules to allow removal from the self-exclusion list.

Through Substitute House Bill 1302 (effective July 28, 2019), the Legislature directed the Gambling Commission to draft rules establishing a statewide self-exclusion program. The bill, which became RCW 9.46.071, gave the Gambling Commission discretion in establishing the scope, process, and requirements of the self-exclusion program. However, RCW 9.46.071(d) requires that the rules comply with the following minimum requirements: the program must allow persons to voluntarily exclude themselves from gambling at authorized gambling establishments that offer house-banked social card games, and any individual registered with the self-exclusion program is prohibited from participating in gambling activities associated with this program and forfeits all moneys and things of value obtained by the individual or owed to the individual by an authorized gambling establishment as a result of prohibited wagers or gambling activities. The Gambling Commission is permitted to adopt rules for forfeiture of any moneys or things of value, including wagers, obtained by an authorized gambling establishment while an individual is registered with the self-exclusion program.

At its October 2019 meeting, Commissioners initiated rule-making to adopt new rules to establish a statewide self-exclusion program. At the October 2021 public meeting, Commissioners chose to file draft language for further discussion, which looked to:

- Establish a centralized, statewide self-exclusion program,
- Outline how participants could request self-exclusion,
- Establish periods of enrollment in the program,
- Acknowledge that enrollment is voluntary,
- Address disclosure of program information,
- Establish licensee responsibilities, and
- Address how the list may be shared.

At their December 2021 meeting, Commissioners agreed to take final action after soliciting and receiving extensive feedback from licensees, tribal gaming entities, Washington State Health Care Authority, the Problem Gambling Task Force, and others with vested interests in problem gambling for over a year. The new rules launching the self-exclusion program took effect on May 1, 2022.

WAC 230-23-015(3) states: "Once enrolled, the participant cannot be removed from the program prior to the initial selected period of enrollment for voluntary self-exclusion" (options for self-exclusion periods are 1, 3, 5 and 10 years). WAC 230-23-020(2) further states: "The self-exclusion request is irrevocable during the initial enrollment period selected and cannot be altered or rescinded for any reason."

Policy Considerations

RCW 9.46.071(1)(d) directs the commission to establish a statewide self-exclusion program for a licensees. That same section of the RCW gives commissioners "discretion in establishing the scope, process, and requirements of the self-exclusion program, including denying, suspending, or revoking an application, license, or permit as long as they meet the minimum requirements established above."

After an extensive rule-making process, the Washington State Gambling Commission launched its self-exclusion program in May 2022. The first annual report on the program is due to be presented to Commissioners in May 2023.

Currently, there is no method to alter the term selected or to end the term before expiration of the period selected.

Staff examined the practice of other states for removing individuals from self-exclusion lists. The review of the websites of 21 states regarding self-exclusion (attached) included a search for the time periods offered for self-exclusion and whether an excluded person could alter the term selected or remove themselves from the self-exclusion list prior to expiration of the term selected. Based on that review, staff concluded that nine states allow an excluded person to be removed from the self-exclusion list if they have selected the lifetime term for self-exclusion. However, those nine states all require the person to be on the self-exclusion list for a minimum number of years prior to being eligible to apply for removal (e.g., one, two, or five years). The details of the criteria and process for those states that offer removal from a self-exclusion are attached.

Only one state (New Mexico) allows an excluded person to be removed from the list early if they have selected a term other than a lifetime exclusion. Nonetheless, New Mexico requires the excluded person to be on the self-exclusion List for a minimum of one year. Furthermore, the excluded person has to follow a process, which includes, but is not limited to, the excluded person providing a written request to the Board showing good cause to be removed and the Board having a hearing to discuss the request.

Amending the self-exclusion rules in Washington state will require:

- Determining at what point a person can be removed from the list, the process and procedure for removal, and who will make the decision as to whom should be removed;
- An amendment to the internal processes and procedures; and
- Changes to the recordkeeping and application forms.

Attachments:

- Petitions received

- WAC 230-23-015
- WAC 230-23-020
- Comparative experience from 21 states with self-exclusion lists
- Detailed comparative view of criteria and process for those states with removal provisions

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 to:

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

McLean, Lisa (GMB)

From: Lohse, Jess (GMB)
Sent: Wednesday, January 25, 2023 2:36 PM
To: YURY SAARYAN
Cc: McLean, Lisa (GMB)
Subject: RE: FW: Request a Rule Change Submission from wsgc.wa.gov

Thanks. We will keep you in the loop as to when your rule petition will go before the Commissioners. At this time, I can tell you it looks like it will be at their March 2023 meeting. You can find information about Commission Meetings here: [Public Meetings | Washington State Gambling Commission](#). It is helpful if you can be present when your petition comes up to the Commissioners. You will have the ability and option to speak at the Commission Meeting about your concerns and why you want rules to be changed. Please reach out with any additional questions. Thanks.

Jess Lohse
Special Agent
Washington State Gambling Commission
206-786-3530



From: YURY SAARYAN <saa079saa@gmail.com>
Sent: Wednesday, January 25, 2023 2:33 PM
To: Lohse, Jess (GMB) <jess.lohse@wsgc.wa.gov>
Cc: McLean, Lisa (GMB) <lisa.mclean@wsgc.wa.gov>
Subject: Re: FW: Request a Rule Change Submission from wsgc.wa.gov

External Email

Hello Jess,

Yes I confirm that. I wanted to exclude myself from the list. I've sent letter by usps to your colleague Rashida Robbins. So there's all details. It's misunderstanding because of the language. unfortunately I done speak English good. I've asked about rules in Russian but nobody gave me that. So I didn't clearly understand what I've signed.

Thank you
Yury

On Wed, Jan 25, 2023 at 12:41 PM Lohse, Jess (GMB) <jess.lohse@wsgc.wa.gov> wrote:

Hi Yury. We received your communication below. I wanted to reach out to you and confirm that you wanted to pursue a rule change, specifically to amend rules to allow patrons to get off the self-exclusion list. Is that correct? You quoted WAC 230-23-015 which is included below. I wanted you to see the language in WAC 230-23-020 (also below) that would possibly need to be amended as well. If we were to bring this before the Commissioners for review, it would most likely occur at their March Commission Meeting. I can give you additional details on that after I hear back from you. Please feel free to call me with any questions. Thanks.

WAC 230-23-015

Period of enrollment.

(1) At the time of enrollment, the participant must select a period of enrollment for self-exclusion:

- (a) One year;
- (b) Three years;
- (c) Five years; or
- (d) Ten years.

(2) The enrollment period selected begins and the participant is considered enrolled:

- (a) Upon receipt of the form by mail; or
- (b) The date the completed form was accepted by the licensee or by us when submitted in person.

(3) Once enrolled, the participant cannot be removed from the program prior to the initial selected period of enrollment for voluntary self-exclusion.

(4) We will send a notice to the participant 45 days prior to the end of their initial enrollment period indicating the end of their enrollment period. If the participant chooses to end their enrollment in the self-exclusion program, they must return the form requesting to be removed from the self-exclusion list. If no response is received by the end of the enrollment period, the participant will remain on the self-exclusion list until they request to be removed. The participant may request to be removed from the self-exclusion list at any time after their initial enrollment period has ended by notifying us in the format we require.

WAC 230-23-020

Voluntary self-exclusion.

Participants who voluntarily self-exclude acknowledge the following during the period of enrollment:

(1) The ultimate responsibility to limit access to all house-banked card rooms and participating tribal gaming facilities within the state remains theirs alone; and

(2) The self-exclusion request is irrevocable during the initial enrollment period selected and cannot be altered or rescinded for any reason; and

(3) The exclusion is in effect at all licensed house-banked card rooms and participating tribal gaming facilities in the state of Washington, which is subject to change, and all services and/or amenities associated with these gaming facilities including, but not limited to, restaurants, bars, bowling alleys, check cashing services, cash advances; and

(4) Player club memberships and accounts will be closed and all accumulated points immediately redeemed for nongaming items as the licensee's policy allows at the licensed location the participant initially enrolls for self-exclusion. All player club memberships and accounts held at other licensees and participating tribal gaming facilities will be closed and zeroed out; and

(5) New player club memberships, direct mail and marketing service complimentary goods and services and other such privileges and benefits will be denied; and

(6) Disclosure of certain information is necessary to implement the participant's request for self-exclusion; and

(7) If found on the premises of a house-banked card room licensee or participating tribal gaming facility, for any reason other than to carry out their duties of employment, they will be escorted from the premises; and

(8) All money and things of value, such as gaming chips, obtained by or owed to the participant as a result of prohibited wagers or the purchase of chips and/or participating in authorized gambling activities will be confiscated under RCW **9.46.071** and WAC **230-23-030**; and

(9) To not recover any losses from the purchase of chips and/or participating in authorized gambling activities.

Jess Lohse

Special Agent

Washington State Gambling Commission

206-786-3530



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

From: no-reply@wsgc.wa.gov <no-reply@wsgc.wa.gov>

Sent: Friday, January 13, 2023 12:59 PM

To: Rules Coordinator (GMB) <rules.coordinator@wsgc.wa.gov>

Subject: Request a Rule Change Submission from wsgc.wa.gov

External Email

Submitted on Friday, January 13, 2023 - 12:58pm Submitted by anonymous user: 67.182.145.168 Submitted values are:

Petitioner's Name: YURY SEYRANOVICH SAARYAN Mailing Address: [1243 32ND PL NE](#)

[City: AUBURN](#)

McLean, Lisa (GMB)

From: Lohse, Jess (GMB)
Sent: Wednesday, January 25, 2023 1:45 PM
To: Moe Jay
Cc: McLean, Lisa (GMB)
Subject: RE: Request a Rule Change Submission from wsgc.wa.gov

Thanks. We will keep you in the loop as to when your rule petition will go before the Commissioners. At this time, I can tell you it looks like it will be at their March 2023 meeting. You can find information about Commission Meetings here: [Public Meetings | Washington State Gambling Commission](#). It is helpful if you can be present when your petition comes up to the Commissioners. You will have the ability and option to speak at the Commission Meeting about your concerns and why you want rules to be changed. Please reach out with any additional questions. Thanks.

Jess Lohse
Special Agent
Washington State Gambling Commission
206-786-3530



From: Moe Jay <hamadani1993@gmail.com>
Sent: Wednesday, January 25, 2023 1:19 PM
To: Lohse, Jess (GMB) <jess.lohse@wsgc.wa.gov>
Cc: McLean, Lisa (GMB) <lisa.mclean@wsgc.wa.gov>
Subject: Re: Request a Rule Change Submission from wsgc.wa.gov

External Email

I would like to change rule

WAC 230-23-020

Voluntary self-exclusion.

Participants who voluntarily self-exclude acknowledge the following during the period of enrollment:

(1) The ultimate responsibility to limit access to all house-banked card rooms and participating tribal gaming facilities within the state remains theirs alone; and

(2) The self-exclusion request is irrevocable during the initial enrollment period selected and cannot be altered or rescinded for any reason; and

(3) The exclusion is in effect at all licensed house-banked card rooms and participating tribal gaming facilities in the state of Washington, which is subject to change, and all services and/or amenities associated with these gaming facilities including, but not limited to, restaurants, bars, bowling alleys, check cashing services, cash advances; and

(4) Player club memberships and accounts will be closed and all accumulated points immediately redeemed for nongaming items as the licensee's policy allows at the licensed location the participant initially enrolls for self-exclusion. All player club memberships and accounts held at other licensees and participating tribal gaming facilities will be closed and zeroed out; and

(5) New player club memberships, direct mail and marketing service complimentary goods and services and other such privileges and benefits will be denied; and

(6) Disclosure of certain information is necessary to implement the participant's request for self-exclusion; and

(7) If found on the premises of a house-banked card room licensee or participating tribal gaming facility, for any reason other than to carry out their duties of employment, they will be escorted from the premises; and

(8) All money and things of value, such as gaming chips, obtained by or owed to the participant as a result of prohibited wagers or the purchase of chips and/or participating in authorized gambling activities will be confiscated under RCW [9.46.071](#) and WAC [230-23-030](#); and

(9) To not recover any losses from the purchase of chips and/or participating in authorized gambling activities.

On Wed, Jan 25, 2023 at 12:54 PM Lohse, Jess (GMB) <jess.lohse@wsgc.wa.gov> wrote:

I understand. Unfortunately, we cannot take you off the list because the two rules I quoted below prohibit it. You can seek a rule change, meaning that you would ask to change language in the rules below that would allow you to take yourself off the list. If you seek a rule change, there is a process though. The Commissioners would need to agree to change rules, then staff with the Gambling Commission would need to amend the rules to do what you are asking.

So, again, the Gambling Commission cannot take you off the list at all, unless the rules below are changed. Let me know if you want to change the rules and I can tell you the next steps. Thanks.

Jess Lohse

Special Agent

Washington State Gambling Commission

206-786-3530



From: Moe Jay <hamadani1993@gmail.com>
Sent: Wednesday, January 25, 2023 12:48 PM
To: Lohse, Jess (GMB) <jess.lohse@wsgc.wa.gov>
Cc: McLean, Lisa (GMB) <lisa.mclean@wsgc.wa.gov>
Subject: Re: Request a Rule Change Submission from wsgc.wa.gov

External Email

I was looking to overturn my ruling as I self excluded myself unknowingly that it would affect every card room in the state and would recommend that casinos have more education on the matter to better assist they're patrons

On Wed, Jan 25, 2023 at 12:44 PM Lohse, Jess (GMB) <jess.lohse@wsgc.wa.gov> wrote:

Hi Muhammad. We received your communication below. I wanted to reach out to you and confirm that you wanted to pursue a rule change, specifically to amend rules to allow patrons to get off the self-exclusion list. Is that correct? You quoted WAC 230-23 which is general. Below are two more specific rules related to what I believe you are referring to. Can you please confirm which WAC rules you are referencing (possibly the ones below)? If we were to bring this before the Commissioners for review, it would most likely occur at their March Commission Meeting. I can give you additional details on that after I hear back from you. Please feel free to call me with any questions. Thanks.

WAC 230-23-015

Period of enrollment.

(1) At the time of enrollment, the participant must select a period of enrollment for self-exclusion:

- (a) One year;
- (b) Three years;
- (c) Five years; or
- (d) Ten years.

(2) The enrollment period selected begins and the participant is considered enrolled:

- (a) Upon receipt of the form by mail; or
- (b) The date the completed form was accepted by the licensee or by us when submitted in person.

(3) Once enrolled, the participant cannot be removed from the program prior to the initial selected period of enrollment for voluntary self-exclusion.

(4) We will send a notice to the participant 45 days prior to the end of their initial enrollment period indicating the end of their enrollment period. If the participant chooses to end their enrollment in the self-exclusion program, they must return the form requesting to be removed from the self-exclusion list. If no response is received by the end of the enrollment period, the participant will remain on the self-exclusion list until they request to be removed. The participant may request to be removed from the self-exclusion list at any time after their initial enrollment period has ended by notifying us in the format we require.

WAC 230-23-020

Voluntary self-exclusion.

Participants who voluntarily self-exclude acknowledge the following during the period of enrollment:

(1) The ultimate responsibility to limit access to all house-banked card rooms and participating tribal gaming facilities within the state remains theirs alone; and

(2) The self-exclusion request is irrevocable during the initial enrollment period selected and cannot be altered or rescinded for any reason; and

(3) The exclusion is in effect at all licensed house-banked card rooms and participating tribal gaming facilities in the state of Washington, which is subject to change, and all services and/or amenities associated with these gaming facilities including, but not limited to, restaurants, bars, bowling alleys, check cashing services, cash advances; and

(4) Player club memberships and accounts will be closed and all accumulated points immediately redeemed for nongaming items as the licensee's policy allows at the licensed location the participant initially enrolls for self-exclusion. All player club memberships and accounts held at other licensees and participating tribal gaming facilities will be closed and zeroed out; and

(5) New player club memberships, direct mail and marketing service complimentary goods and services and other such privileges and benefits will be denied; and

(6) Disclosure of certain information is necessary to implement the participant's request for self-exclusion; and

(7) If found on the premises of a house-banked card room licensee or participating tribal gaming facility, for any reason other than to carry out their duties of employment, they will be escorted from the premises; and

(8) All money and things of value, such as gaming chips, obtained by or owed to the participant as a result of prohibited wagers or the purchase of chips and/or participating in authorized gambling activities will be confiscated under RCW [9.46.071](#) and WAC [230-23-030](#); and

(9) To not recover any losses from the purchase of chips and/or participating in authorized gambling activities.

Jess Lohse

Special Agent

Washington State Gambling Commission

206-786-3530



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

From: no-reply@wsgc.wa.gov <no-reply@wsgc.wa.gov>

Sent: Tuesday, January 24, 2023 4:09 PM

To: Rules Coordinator (GMB) <rules.coordinator@wsgc.wa.gov>

Subject: Request a Rule Change Submission from wsgc.wa.gov

External Email

Submitted on Tuesday, January 24, 2023 - 4:08pm Submitted by anonymous user: 47.42.154.19 Submitted values are:

Petitioner's Name: Muhammad Nabil Aljadallah Mailing Address: [505 S 1St St](#)

[City: Yakima](#)

[State: Wa](#)

[Zip Code: 98901](#)

Phone: 5092124563

Email: hamadani1993@gmail.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: 230-23

I am requesting the following change: I am requesting this rule
to be amended please

This change is needed because: my name is Muhammad Aljadallah I
live in Yakima Wa I recently a few months ago had a bad
experience at a casino here in Yakima and I was so upset I wanted
to bar myself from ever going in there again because I felt it
was rigged so they handed me a paper and told me to fill it out
at and I did it also had a box at the bottom that asked me how
long and I checked ten years , we'll I went into another casino
last week and was surrounded by security and was told they would
call the authorities if I didn't leave , I was so confused and
scared in the moment I've never been in such a scenario when I
asked to speak to a manager for some clarity he explained to me
that NobHill casino and bowling alley had given me a new form

that bans me from every casino in Washington state , which I obviously under no means would ever do , we live in a very small town with almost no entertainment . He also went on to tell me that they were supposed to fill it out with me and explain everything step by step which was not done either I do take some responsibility for not reading it thoroughly but under the circumstances that day I wasn't at full mental capacity rendering me to make such a ridiculous mistake , i do feel because of the scenario that day they had purposely not explained it to me and now I understand the chuckles behind it when I signed the paper work , the gentleman who explained everything to me works at the Caribbean casino here in Yakima and was very nice and helpful he said I would be able to appeal this paper and hopefully with your help get it revoked , please help me in doing so and thank you for your time

The effect of this rule change will be: Permanent, I will never fill a self exclusion ever again , now that I am more educated on the matter .

The results of this submission may be viewed at:

<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwsgc.wa.gov%2Fnode%2F18%2Fsubmission%2F3768&data=05%7C01%7Crules.coordinator%40wsgc.wa.gov%7Cd0f805348b94430d458c08dafa685ac9%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C638102021406144747%7CUnknown%7CTWFpbGZsb3d8eyJWljojoiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6IjEhaWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=vBWm7IXjTtBufH%2ButS9K%2BfpjveT52ZpyLcPD8AziEz0%3D&reserved=0>

[State: WA](#)

[Zip Code: 98002](#)

Phone: 2067181828

Email: saa079saa@gmail.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: 230-23-015

I am requesting the following change: Remove me please from the self-exclusion list

This change is needed because: I did intend to sign up for this program

The effect of this rule change will be: will allow me to be removed from the list

The results of this submission may be viewed at:

<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwsgc.wa.gov%2Fnode%2F18%2Fsubmission%2F3753&data=05%7C01%7Crules.coordinator%40wsgc.wa.gov%7C4024f4538f424eaebabf08daf5a8fd38%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C638092403413971705%7CUnknown%7CTWFpbGZsb3d8eyJWljojMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6Iik1haWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=qfF1kQA6DOB7C%2BlyZ9I%2FQwTKOItkM5oFKfi8xxppMP4%3D&reserved=0>

WAC 230-23-015 Period of enrollment. (1) At the time of enrollment, the participant must select a period of enrollment for self-exclusion:

- (a) One year;
- (b) Three years;
- (c) Five years; or
- (d) Ten years.

(2) The enrollment period selected begins and the participant is considered enrolled:

(a) Upon receipt of the form by mail; or

(b) The date the completed form was accepted by the licensee or by us when submitted in person.

(3) Once enrolled, the participant cannot be removed from the program prior to the initial selected period of enrollment for voluntary self-exclusion.

(4) We will send a notice to the participant 45 days prior to the end of their initial enrollment period indicating the end of their enrollment period. If the participant chooses to end their enrollment in the self-exclusion program, they must return the form requesting to be removed from the self-exclusion list. If no response is received by the end of the enrollment period, the participant will remain on the self-exclusion list until they request to be removed. The participant may request to be removed from the self-exclusion list at any time after their initial enrollment period has ended by notifying us in the format we require.

[Statutory Authority: RCW 9.46.070 and 9.46.071. WSR 22-05-019, § 230-23-015, filed 2/4/22, effective 5/1/22.]

WAC 230-23-020 Voluntary self-exclusion. Participants who voluntarily self-exclude acknowledge the following during the period of enrollment:

(1) The ultimate responsibility to limit access to all house-banked card rooms and participating tribal gaming facilities within the state remains theirs alone; and

(2) The self-exclusion request is irrevocable during the initial enrollment period selected and cannot be altered or rescinded for any reason; and

(3) The exclusion is in effect at all licensed house-banked card rooms and participating tribal gaming facilities in the state of Washington, which is subject to change, and all services and/or amenities associated with these gaming facilities including, but not limited to, restaurants, bars, bowling alleys, check cashing services, cash advances; and

(4) Player club memberships and accounts will be closed and all accumulated points immediately redeemed for nongaming items as the licensee's policy allows at the licensed location the participant initially enrolls for self-exclusion. All player club memberships and accounts held at other licensees and participating tribal gaming facilities will be closed and zeroed out; and

(5) New player club memberships, direct mail and marketing service complimentary goods and services and other such privileges and benefits will be denied; and

(6) Disclosure of certain information is necessary to implement the participant's request for self-exclusion; and

(7) If found on the premises of a house-banked card room licensee or participating tribal gaming facility, for any reason other than to carry out their duties of employment, they will be escorted from the premises; and

(8) All money and things of value, such as gaming chips, obtained by or owed to the participant as a result of prohibited wagers or the purchase of chips and/or participating in authorized gambling activities will be confiscated under RCW 9.46.071 and WAC 230-23-030; and

(9) To not recover any losses from the purchase of chips and/or participating in authorized gambling activities.

[Statutory Authority: RCW 9.46.070 and 9.46.071. WSR 22-05-019, § 230-23-020, filed 2/4/22, effective 5/1/22.]

**State-by-State Comparison of
Ability to Remove Oneself from Self-Exclusion (SE) Before Expiration of Term
February 2023**

State	Terms	Able to Remove Early	Description
Arizona	1, 5 or 10	No	Exclusion ends when term ends.
California	1 or Life	Yes*	1 year - Exclusion ends at end of 1 year. *Life Term – Minimum of 1 year & completed removal form
Colorado	3, 5, 10, or Life	No	Operated by Problem Gambling Coalition of Colorado 3, 5, 10 years – Excluded person must stay on the list until the term they selected expires. Need to submit a request for removal after the term has expired. The Problem Gambling Coalition has discretion to remove person from the list or not.
Delaware	1, 5, or Life	No	1 & 5 years – Exclusion ends at the end of term selected and need to go to Office to be removed from the list. Life Term – No option of being removed
Illinois	Life	Yes*	*Life – Minimum of 5 years and satisfy 8 bulleted items listed on their website, which include provide an affidavit from licensed mental health professional who is certified as a gambling addiction counselor that excluded person is no longer a problem gambler. Website described the process as very difficult.

State	Terms	Able to Remove Early	Description
Indiana	1, 5, or Life	No	<p>1, 5 years – Cannot be removed early. Submit form upon expiration to be removed.</p> <p>Life – No option of being removed.</p>
Iowa	5 or Life	Yes*	<p>5 years – Automatically removed when term ends,</p> <p>Life – If enrolled after 7/1/17, then cannot be removed. *If enrolled prior to 6/30/17, then must serve five years on the list and then complete a removal form.</p>
Kansas	2 or Life	No	<p>2 years – Once term expires, person needs to apply to come off the list and complete a series of steps, including problem gambling assessment with a certified problem gambling counselor and series of courses on healthy life style choices. Commission will, then, make the decision.</p> <p>Life – There is no option to be removed from the list.</p>
Louisiana	Life	Yes*	<p>*Life – Person must be on the list for at least 5 years before requesting removal. The removal request must be in writing and a hearing will be held. The Board will provide a written decision regarding the removal.</p>
Maine	1, 3, 5, or Life	Yes*	<p>1, 3, or 5 – Cannot be removed early.</p> <p>*Life - Can only be removed if they selected the Lifetime term. They must remain on the list for 5 years at least and then send a written request to be removed to the Agency Director.</p>

State	Terms	Able to Remove Early	Description
Maryland	2 or Life	Yes*	<p>2 years – Cannot be removed early.</p> <p>*Life - After completing 2 years of exclusion, the excluded person must request to be removed and meet the removal requirements, which include completing a problem gambling assessment. Commission makes final decision.</p>
Massachusetts	1, 3, 5, or Life	No	<p>Multiple SE lists – Gaming only, Sports Wagering only, or combination.</p> <p>1, 3, or 5 – Cannot be removed early, and exclusion does not end automatically when term ends. In order to be removed after term ends, the excluded person must complete a reinstatement session with a trained professional. Schedule w/Game Sense.</p> <p>A person can renew or extend term selected at any time, but they cannot reduce it.</p> <p>Life – An excluded person can only select the lifetime term after completing a shorter term first.</p>
Michigan	Life	Yes*	<p>*Life - An excluded person must be on SE List for at least 5 years before being removed. The person must submit a Request for Removal form.</p>
Mississippi	5, 10, other, or Life	No	<p>5 years – A person may select any time period to be excluded, but it must be 5 years or more. Exclusion ends when term expires, and there is no way to end term early.</p> <p>Life – No way to end it early.</p>
Missouri	Life	Yes*	<p>*Life - An excluded person must be on SE List for at least 5 years before being removed. The person must submit a Request for Removal form.</p>

State	Terms	Able to Remove Early	Description
New Jersey	1, 5 or Life	No	<p>Multiple SE Lists – Physical casinos & Internet Gambling or Internet Gaming Only</p> <p>1 or 5 years – The excluded person cannot be removed from the list early. Once the term selected expires, the person must submit a form to be removed.</p> <p>Life – An individual cannot be removed from the list.</p>
New Mexico	1, 5 or Life	Yes	<p>The excluded person will be removed from the list once the term selected expires.</p> <p>An excluded person may be removed early if a written request is made and upon a Decision and Order of the Board granting the request. Email is sent to explain the specific process.</p> <p>The excluded person must be on the SE List for at least one year. The person needs to provide a written request to be removed to the Board and show good cause to be removed from the list. The Commander of the Enforcement Division approves the request. The Board will review the request and have a hearing.</p>
New York	1, 3, 5, or Life	No	1, 3, 5, or Life – The excluded person will remain on the list until the term selected has been completed. No exceptions.
Ohio	1, 5, or Life	Yes*	<p>1 or 5 – Once the term selected expires, a person can request to be removed with the submission of a form to the Commission.</p> <p>*Life – An excluded person must be on the SE List for at least 5 years, must request removal, and must complete the Ohio Voluntary Excluded Person Education Program on problem gambling awareness.</p>
Oklahoma	1, 3, 5, or 10	No	<p>Multiple SE Lists – Tribal Casinos and State Lottery</p> <p>Tribal – 1, 3, 5, or 10 years and is irrevocable (16 Tribes participate).</p>

State	Terms	Able to Remove Early	Description
Pennsylvania	1, 5, or Life	No*	<p>Multiple SE Lists – Casinos, Interactive Gambling, Video Gaming Terminals, or Fantasy Contests.</p> <p>1 or 5 – Cannot be removed early. Person needs to submit form after serving term.</p> <p>*Life – Website implies there is a Lifetime term option, which cannot be ended early.</p>

**State-by-State Comparison of
Minimum Term and Process for Removal From the Self-Exclusion List**

February 2023

State	Term That Must be Served Before Removal	Process for Removal	
		Complete a Form	Steps for Removal
California	1	X	
Illinois	5		<ul style="list-style-type: none"> • Affidavit addressed to the Administrator of the Illinois Gaming Board from a licensed mental health professional who is certified as a gambling addiction counselor who attests and confirms that excluded person is no longer a problem gambler. • Documentation as to treatment received for the person’s gambling problem, length of treatment, and names and qualifications of treatment providers. • A written recommendation, from a qualified mental health professional who is a certified gambling counselor, as to the person's capacity to participate in gambling without adverse health and mental health risks or consequences related to gambling. “Certified gambling counselor” means an individual who has completed a specific course of study in the treatment of problem gambling and has been certified by a certification organization acceptable to the Board. Those organizations include the following: National Council on Problem Gambling, American Compulsive Gambling Counselor Certification Board and the Illinois Dept of Human Services. • Upon request of the Administrator, a written recommendation, from a second or subsequent physician or qualified mental health professional who is a certified gambling counselor, as to the self-excluded person's capacity to participate in gambling without

State	Term That Must be Served Before Removal	Process for Removal	
		Complete a Form	Steps for Removal
			<p>adverse health and mental health risks or consequences related to gambling.</p> <ul style="list-style-type: none"> • All information required under Section 3000.755(a), including name, address, date of birth, social security number, a copy of the person's driver's license, a physical description and a current photograph. • A statement informing the Administrator whether the person has been present at any casino gaming operations while on the Self-Exclusion List and, if so, the names of the casino operations at which the person was present and dates and times of attendance. • A waiver of liability of the Board, its agents and the State of Illinois for any damages that may arise out of any act or omission committed by the person as a consequence of his or her removal from the Self-Exclusion List, including any monetary or other damages sustained in connection with the person's renewal of any gaming activities. • A verified, written consent to the release of all of the person's medical and counseling records related to the proposed removal from the Self-Exclusion List. • Any additional information, forms, recommendations, or other materials necessary, as determined by the Administrator, to demonstrate the elimination of the mental health or medical condition underlying the person's acknowledgement that he or she has been a problem gambler and unable to gamble responsibly.
Iowa	5	X	
Louisiana	5		<ul style="list-style-type: none"> • Submit a written request to the board for a hearing. Such request shall: <ul style="list-style-type: none"> • State with specificity the reason for the request and • Include a written recommendation from a qualified mental health professional as to the self-excluded person's capacity to

State	Term That Must be Served Before Removal	Process for Removal	
		Complete a Form	Steps for Removal
			<p>participate in gaming activities without adverse risks or consequences.</p> <ul style="list-style-type: none"> • The person seeking removal from the self-exclusion list may be required to obtain a separate and independent recommendation from a qualified mental health professional, approved by the hearing officer, as to the self-excluded person's capacity to participate in gaming activities without adverse risks or consequences. • The hearing officer determines if there is no longer a basis for the person seeking removal to be maintained on the self-exclusion list. Hearing is confidential and hearing materials are not open to the public for inspection.
Maine	5		Send a written request to be removed to the Agency Director.
Maryland	2		<p>Written request and complete the Removal Application form with proof of completion of one of the following:</p> <ul style="list-style-type: none"> • A problem gambling assessment with a professional who is licensed by the State to conduct problem gambling assessments or who is otherwise approved by the Commission and fulfilled any recommended treatment; • A problem gambling treatment and prevention program approved by the Commission; or • A healthy decision-making program that is sponsored or approved by the Commission, with a licensed professional counselor or other person approved by the Commission. <p>If you are eligible to request removal and the above documentation is accepted, you must submit an Authorization and Release Form to sign with a witness and return to the Commission.</p> <p>The Maryland Lottery and Gaming Control Agency will have the final determination on whether an applicant can come off the voluntary exclusion list.</p>
Michigan	5	X	

State	Term That Must be Served Before Removal	Process for Removal	
		Complete a Form	Steps for Removal
Missouri	5	X	
New Mexico	1		<p>An excluded person may be removed with a written request and upon a Decision and Order of the Board granting the request.</p> <p>The person needs to provide a written request to be removed to the Board and show good cause to be removed from the list.</p> <p>The Commander of the Enforcement Division approves the request. The Board will review the request and have a hearing.</p>
Ohio	5		Request removal and must complete the Ohio Voluntary Excluded Person Education Program on problem gambling awareness.



STATE OF WASHINGTON
GAMBLING COMMISSION

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

DATE: March 9, 2023

TO: **COMMISSIONERS:**
Alicia Levy, Chair
Julia Patterson, Vice-Chair
Bud Sizemore, Commissioner
Sarah Lawson, Commissioner

EX OFFICIOS:
Senator Steve Conway
Senator Jeff Holy
Representative Shelley Kloba
Representative Skyler Rude

FROM: Tommy Oakes, Interim Legislative Liaison

SUBJECT: Tab 12 Legislative Update materials will be presented at the meeting