

Staff Proposed Rule Making New Rule WAC 230-03-182 Additional requirements for nonhouse-banked, Class F, and house-banked card rooms. Repeal WAC 230-06-046 – Additional requirements for licensed business premises of nonhouse-banked, Class F, and house-banked card

rooms.

Tab XX: MARCH 2024 Commission Meeting Agenda.

Statutory Authority 9.46.070

Who Proposed the Rule Change?

Washington State Gambling Commission Staff

Background

BOLD = Changes made since February 2024 Commission Meeting

Staff suggests amendment of WAC 230-06-046, or the creation of a new rule, related to additional requirements for licensed business premises of nonhouse-banked, Class F, and house-banked card rooms. The rule currently establishes conditions under which card rooms cannot be adjacent to each other. Staff believes that there is a need to further clarify under which limited conditions nonhouse-banked, Class F, and house-banked card rooms can be adjacent to each other.

Staff developed clarifying language to ensure that adjacent card rooms operate as separate and distinct licensed business premises. Staff also determined that this rule is more appropriately located in Chapter 230–03, which relates to pre-licensing procedures, rather than in Chapter 230–06 detailing rules for all licenses. To accomplish this movement between chapters, the Commission needs to adopt a new rule in Chapter 230–03, which is a revised version of the old rule. The old rule would then be repealed on an expedited basis as redundant. Attached is the current WAC 230–06–046, the proposed new rule (WAC 230–03–182), and the filing for a repeal of WAC 230–06–046.

At the January 2024 commission meeting, Commissioners:

- Authorized staff to initiate rulemaking on an expedited basis for repeal of WAC 230-06-046 once the new WAC 230-03-182 became effective and
- Filed WAC 230-03-182 for further discussion with additional language to subsection 3 to further identify adjacent cardrooms licensed as of July 1, 2018, are not bound by the requirements.

Attachments:

- WAC 230-06-046
- Revised WAC 230-03-182 as filed
- Repeal of WAC 230-06-046

Stakeholder Feedback

On January 15, 2024, we received an email from Vicki Christopherson with proposed rule language they would like Commissioners to consider. See attached email and proposed rule language with their comments.

At the Commission meeting on February 8, 2024, Eric Persson stated that he believes the amended rule language is unconstitutional and is a violation of his fifth amendment rights.

Attachment:

• Email from Vicki Christopherson on January 15, 2024

Staff Recommendation

Staff recommends that the Commission take final action on the proposed new rule WAC 230-03-182 after holding a public hearing. Rules would take effect 31 days after filing with the Office of the Code Reviser. WAC 230-06-046 Additional requirements for licensed business premises of nonhouse-banked, Class F, and house-banked card rooms. (1) The licensed business premises of nonhouse-banked, Class F, and house-banked card rooms may not be adjacent to each other if each licensed business premises:

(a) Shares inside public access between the two licensed business premises; or

(b) Has employee access between the two licensed business premises visible to the public; or

(c) Shares windows or similar structures that allow customers to see into the other licensed business premises.

(2) Subsection (1) of this section does not apply to nonhousebanked, Class F, and house-banked card room physical locations that have any of the features listed in subsection (1) of this section and were licensed on the effective date of this rule.

(3) Adjacent card rooms must post signs at each entrance that is accessible by the public to clearly notify customers of the licensed business premises' identity.

[Statutory Authority: RCW 9.46.070. WSR 18-05-029, § 230-06-046, filed 2/9/18, effective 7/1/18. Statutory Authority: RCW 9.46.070 and 9.46.0282. WSR 10-07-102, § 230-06-046, filed 3/19/10, effective 7/1/10.]

WAC 230-03-182 Additional requirements for nonhouse-banked, Class F, and house-banked card rooms. (1) The licensed business premises of nonhouse-banked, Class F, and house-banked card rooms may not be adjacent to each other unless:

(a) Each is a fully separate and distinct licensed business premises; and

(b) There is a solid wall, with no internal access, between the two premises; and

(c) Each licensed business premises must operate as an independent commercial stimulant as defined in RCW 9.46.0217.

(2) Subsection (1) of this section does not apply to nonhousebanked, Class F, and house-banked card room physical locations that have any of the features listed in subsection (1) of this section and were licensed as of July 1, 2018. The provisions of subsection (1) of this section will take effect upon the issuance of a new license.

(3) Adjacent card rooms must post signs at each entrance that is accessible by the public to clearly notify customers of the licensed business premises' identity.

REPEALER

The following section of the Washington Administrative Code is repealed:

WAC 230-06-046 Additional requirements for licensed business premises of nonhouse-banked, Class F, and house-banked card rooms.

<u>'icki Christophersen</u>
<u> Friffin, Tina (GMB)</u> ; <u>Jason Bacigalupi</u> ; <u>Eric Persson</u>
Davies, Brooke; Mentzer, Damon (GMB)
djacent card room rule
1onday, January 15, 2024 11:26:31 AM
roposed WAC 230-03-182 - Revised - with explanatory comments.docx

External Email

Good morning Tina and Damon,

Thanks for the robust conversation during the commission meeting last week. We appreciate the willingness to clarify the issues surrounding this rule.

It was difficult to track the changes in real time and we are not sure that the language amendments discussed actually accomplish what we believe was the goal. To that end we have attached the approach we would prefer to the proposed rule and look forward to further discussions with you.

Thanks!



Vicki Christophersen Christophersen Inc. <u>www.christopherseninc.com</u> 360.485.2026



NEW SECTION

WAC 230-03-182 Additional requirements for nonhouse-banked, Class F, and house-banked card rooms. (1) The licensed business premises of nonhouse-banked, Class F, and house-banked card rooms may not be adjacent to each other unless:

(a) Each is a fully separate and distinct licensed business premises; and
(b) There is a solid wall, with no internal public access;

(b) There is a solid wall, with no internal public access, between the two premises, and that no employee access between the two premises is visible to the public; and (c) Each licensed business premises must operate as an

(c) Each licensed business premises must operate as an independent commercial stimulant as defined in RCW 9.46.0217.

(2) Subsection (1) of this section does not apply to nonhousebanked, Class F, and house-banked card room physical locations that are adjacent to each other have any of the features listed in subsection (1) of this section and were licensed on the effective date of this rule. The provisions of subsection (1) of this section will take effect upon the issuance of a new license.

(3) Adjacent card rooms must post signs at each entrance that is accessible by the public to clearly notify customers of the licensed business premises' identity. **Commented [JB1]:** The existing rule prohibits public access between the two premises, but also allows for employee access between the two premises, so long as it is not "visible to the public" this change keeps this consistent.

Commented [JB2]: This language is from the existing rule - which *prohibits* adjacent locations from having certain features - however, the new rule, rather than prohibiting features, requires that adjacent locations have certain features. This change clarifies that difference - otherwise - as written, existing licensed adjacent card rooms would not be grandfathered unless they "have any of the features listed in subsection (1)".

Commented [JB3]: It is unclear what the intent of this is because the provisions of subsection (1) would be effective upon the effective date of the rule - so including an additional section that triggers the effectiveness of the requirements on the issuance of a new license is confusing.