



STATE OF WASHINGTON
GAMBLING COMMISSION

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

February 9, 2018

The Honorable Kevin Ranker
215 John A. Cherberg Building
PO Box 40440
Olympia, WA 98504

SUBJECT: COMMISSION'S SUPPORT OF SB 6266, Concerning loot boxes in video games and apps

Dear Senator Ranker:

The Washington State Gambling Commission voted to support Senate Bill 6266 during its public meeting on February 8, 2018. As you know, the Commission has not determined that loot boxes are gambling at this time. However, we continue to have concerns with how loot boxes are utilized in video games and their possible connection to gambling or behavior we encounter in the gambling industry. We are also concerned about the how the use of loot boxes impact persons under age eighteen. Persons under age eighteen are prohibited from participating in gambling activities and studies suggest that persons under age eighteen are more vulnerable to the risks and negative consequences associated with gambling.

Therefore, we believe this bill is a sensible approach to investigate this issue, engage all appropriate stakeholders, and submit recommendations to the Legislature for possible action in 2019. However, we would like to work with you on an amendment that includes a review of video game "skins," which is a virtual item that can change the appearance of weapon or avatar and has no direct influence on gameplay. "Skins" can be obtained through loot boxes and can be used as a digital currency to participate in gambling activities. We have been actively addressing this issue with a local video game company and believe it is proper to include it in this bill.

Lastly, we project the cost of the study will be approximately \$50,000 and another \$33,000-\$50,000 of staff time to prepare the report. We respectfully request your assistance to obtain a one-time appropriation to offset this cost. We do not believe the cost of this study should be bore by our licensees and an appropriation to help with this important issue is a good investment.

Thank you for your leadership on this issue, and we hope to continue to work with you to pass a substitute bill this year. If you have any questions, please do not hesitate to contact me at (253) 951-5090 or Director Dave Trujillo (360) 486-3512.

Sincerely,

A handwritten signature in black ink that reads "Bud Sizemore".

Bud Sizemore
Commission Chair

cc: Sen. Karen Keiser
Sen. Reuven Carlyle
Sen. Steve Conway, Ex Officio
Sen. Lynda Wilson, Ex Officio
Rep. Brandon Vick, Ex Officio
Rep. David Sawyer, Ex Officio