



STATE OF WASHINGTON

GAMBLING COMMISSION

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

Hilton Garden Inn - 2101 Henderson Park Lane SE - Olympia, WA 98501

Thursday, February 13, 2020 at 10:00 AM

Please note, agenda times are estimates only. Items may be taken out of sequence at the discretion of the Chair. Commissioners may take action on business items.

Administrative Procedures Act Proceedings are identified by an asterisk (*)

PUBLIC MEETING

<p>Tab 1 10:00 AM</p>	<p>Call to Order <i>Bud Sizemore, Chair</i> Welcome and Introductions <ul style="list-style-type: none"> • <i>Moment of Silence</i> Consent Agenda (Action) <ul style="list-style-type: none"> • January 9, 2020 Commission Meeting Minutes • *New Licenses and Class III Employees Director’s Report <i>David Trujillo, Director</i></p>
<p>Tab 2</p>	<p>RULES UP FOR DISCUSSION AND POSSIBLE FILING *Staff Proposed Rule-Making (Action) <ul style="list-style-type: none"> • WAC 230-05-124 Quarterly license fees and Quarterly license reports. <i>Ashlie Laydon, Rules Coordinator</i></p>
<p>Tab 3</p>	<p>RULES UP FOR DISCUSSION AND POSSIBLE FILING *Staff Proposed Rule-Making (Action) <ul style="list-style-type: none"> • WAC 230-06-155- Defining “gross sales” • WAC 230-06-160- Defining “net gambling receipts” • WAC 230-06-165- Defining “net gambling income” • WAC 230-06-175- Defining “cost” <i>Ashlie Laydon, Rules Coordinator</i></p>
<p>Tab 4</p>	<p>RULES UP FOR DISCUSSION AND POSSIBLE FILING Petition for Rule Change (Action) <ul style="list-style-type: none"> • Commercial Gambling, Johnboy Buyak <i>Ashlie Laydon, Rules Coordinator</i></p>
<p>Tab 5</p>	<p>2020 Legislative Update <i>Brian Considine, Legal and Legislative Manager</i></p>
<p>12:00-2:00 Lunch</p>	<p>Executive Session - Closed to the Public <i>Bud Sizemore, Chair</i> Discuss agency enforcement actions, litigation and potential litigation with legal counsel, including tribal negotiations.</p>
	<p>Public Comment</p>
	<p>Adjourn</p>

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

Please silence your cell phones for the public meeting



STATE OF WASHINGTON
GAMBLING COMMISSION

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

January Gambling Commission Meeting Minutes

Hilton Garden Inn
2101 Henderson Park Lane S.E.
Olympia, WA 98501
Public Meeting
January 9, 2020

Commissioners Present:

Bud Sizemore, Chair
Julia Patterson
Ed Troyer
Alicia Levy

Ex Officio Members Present:

Senator Steve Conway
Representative Shelley Kloba

Staff Present:

David Trujillo, Executive Director; Tina Griffin, Assistant Director; Brian Considine, Legal and Legislative Manager; Julie Lies, Tribal Liaison; Heather Songer, Public Information Officer; Julie Anderson, Executive Assistant; and Suzanne Becker, Assistant Attorney General.

Public Meeting Call to Order

Chair Sizemore called the Gambling Commission meeting to order at 10:02 a.m. and welcomed everyone to the Hilton Garden Inn. Chair Sizemore acknowledged a moment of silence to recognize law enforcement officers who were lost in the line of duty since our last meeting.

There were 20 people in the audience.

Tab 1

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

Commissioner Levy seconded the motion.

The motion passed 4:0

Director's Report

Director Trujillo announced the first Problem Gambling Task Force meeting on January 6, 2020 and approximately 30 people attended. Senator Steve Conway and Representative Shelley Kloba represented the Gambling Commission, and were joined by tribal representatives, elected officials, regulatory officials and behavioral health experts. They discussed an overview of the state's problem gambling program, a clinical overview, and treatment provider certification. They also had a sports wagering and self-exclusion discussion. Commissioner Julia Patterson agreed to chair the Problem Gambling Task Force and their next meeting is scheduled for April 20, 2020.

Commissioner Patterson mentioned that the Problem Gambling Task Force (PGTF) is planning to take a comprehensive look at treatment and prevention, as well as funding. Commissioner Patterson also mentioned that the preliminary report should be available within a year and the

final report should take another six months. The PGTF will keep the Commission up-to-date at their regularly scheduled meetings.

Tab 2

Staff-Proposed Rule Making

Ashlie Laydon, Rules Coordinator presented the materials for this tab. In 2017-18, Ms. Laydon explained that the Gambling Commission amended its rules to simplify its reporting and licensing fee structure. After a year of implementation, Gambling Commission staff reviewed the rules and believe there are some changes and modifications needed to the new fee reporting structure.

Staff recommends filing the proposed language for further discussion.

Commissioner Patterson moved to approve the proposed language as proposed by staff for further discussion.

Commissioner Troyer seconded the motion.

The motion passed. 4:0

Tab 3

Staff-Proposed Rule Making

Ashlie Laydon, Rules Coordinator presented the materials for this tab. Ms. Laydon explained that in 2017-18, the Gambling Commission amended its rules to simplify its licensing fee structure. All licensees have now completed the transition from the old fee structure to the new fee structure. As a result, the rules related to the old fee structure are no longer relevant and should be repealed.

These rules are:

- WAC 230-05-001 – Prorating or refunding of fees.
- WAC 230-05-005 – Fees for review of gambling equipment, supplies, services, or games.
- WAC 230-05-010 – Returned payments.
- WAC 230-05-015 – Two-part payment plan for license fees.
- WAC 230-05-016 – Exceeding license class.
- WAC 230-05-017 – Failing to apply for license class upgrade.
- WAC 230-05-018 – Partial refund of license fees if gambling receipts limit not met.
- WAC 230-05-020 – Charitable or nonprofit organization fees.
- WAC 230-05-025 – Commercial stimulant fees.
- WAC 230-05-030 – Fees for other businesses.
- WAC 230-05-035 – Individuals license fees.

She also explained that the Gambling Commission amended its rules to simplify its reporting structure. All licensees have now completed the transition from activity reporting to quarterly license reporting. As a result, the following rules related to activity reporting are no longer relevant and should be repealed:

- WAC 230-05-102 – All licensed organizations report activity quarterly beginning with the July 1, 2018, through September 30, 2018, quarter.
- WAC 230-06-124 – Online filing required with waivers available upon request for good cause.
- WAC 230-06-150 – Defining “gross gambling receipts.”
- WAC 230-06-170 – Defining “net win.”

- WAC 230-07-155 – Reporting annual activity for raffles, enhanced raffles, amusement games, Class A, B, or C bingo, or combination licenses.
- WAC 230-07-160 – Reporting annual activity for agricultural fairs.
- WAC 230-09-056 – Activity reports for fund-raising events.
- WAC 230-10-331 – Activity reports for Class D and above bingo licensees.
- WAC 230-10-457 – Activity reports for linked bingo prize providers.
- WAC 230-13-169 – Annual activity reports for commercial amusement game licensees.
- WAC 230-14-284 – Activity reports for punch board and pull-tab licensees.
- WAC 230-15-200 – Reporting card game activity.
- WAC 230-15-205 – Card tournament licenses.
- WAC 230-16-220 – Activity reports by manufacturers and distributors.
- WAC 230-11-095 – Recordkeeping requirements for licensees with gross gambling receipts of fifty thousand dollars or less in their previous license year and unlicensed raffles.

Staff recommends filing this proposal for further discussion.

Commissioner Patterson moved to approve the proposed rule repeals as proposed by staff for further discussion.

Commissioner Levy seconded the motion.

The motion passed. 4:0

Tab 4

Staff-Proposed Rule Making

Ashlie Laydon, Rules Coordinator presented the materials for this tab. Ms. Laydon reported that at the October 2019 commission meeting, staff provided a raffle work session for the Commission. Ms. Laydon explained that rule changes were recommended to the Commission and staff were directed to prepare a summary of those recommendations. Public notice went out asking for public feedback and input from stakeholders and staff regarding potential rule changes that could be proposed to assist nonprofit organizations. After discussing some of the obstacles nonprofits face when conducting raffles, staff proposes amending the following rules in regards to alternative drawing formats, and bundling and selling tickets at a discount. Staff also proposes adopting rules in regards to progressive raffles, such as “Joker Poker.” Staff recommends initiating rule-making to amend current raffle rules and potentially adopt new raffle rules.

Commissioner Patterson moved to initiate rule-making to amend our raffle rules as proposed by staff.

Commissioner Levy seconded the motion.

The motion passed. 4:0

Tab 5

Staff-Proposed Rule Making

Ashlie Laydon, Rules Coordinator presented the materials for this tab. Ms. Laydon explained that the Gambling Commission has received over 160 public records requests in 2019 alone. Rule-making is needed to address the growing costs associated with requests, and would be consistent with the guidelines established by the Legislature. Staff recommends initiating rule-making to adopt rules to charge the default amounts for processing public records requests.

Commissioner Patterson moved to initiate rule-making to amend our public disclosure request rules to include costs for processing public disclosure requests as proposed by staff.

Commissioner Levy seconded the motion.

The motion passed 4:0

Public Comment

Chair Sizemore asked for public comments on all the rules presented. **Dallas Burnett**, Director of Squaxin Island Gaming, said he was in favor of the proposed rule-making to amend the public disclosure request rules to include costs.

There was no other public comment.

Tab 6

Defaults

Adam Teal, Staff Attorney, presented the materials for this tab.

Jalon Carter, Public Card Room License Revocation.

Chair Sizemore asked if Jalon Carter was in the audience. He was not.

Commissioner Levy moved to approve the final order and revoke the license of public card room employee Jalon Cater.

Commissioner Patterson seconded the motion.

The motion passed 4:0.

Gabriel Tudorache, Class III Employee Certification Revocation.

Chair Sizemore asked if Gabriel Tudorache was in the audience. He was not.

Commissioner Patterson moved to approve the final order and revoke the Class III employee certification of Gabriel Tudorache.

Commissioner Troyer seconded the motion.

The motion passed. 4:0.

Puget Sound Flyers, Raffle Licensee Revocation.

Chair Sizemore asked if a representative from Puget Sound Flyers was in the audience. They were not.

Commissioner Levy moved to approve the final order and revoke the raffle license of Puget Sound Flyers.

Commissioner Patterson seconded the motion.

The motion passed. 4:0.

Tab 7

2020 Legislative Update

Brian Considine, Legal and Legislative Manager (LLM), presented the materials for this tab. Commissioners and LLM Considine discussed the 2020 upcoming session and several pre-filed bills. HB 2280 and SB 6119 are the agency request bills to amend the money laundering forfeiture act. HB 2281 and SB 6120 are the agency request bills to amend the nonprofit qualifications statute in the Gambling Act. HB 2261 and HB 2219 are sports board bills sponsored by Representative Eslick. Commissioners had questions about the difference between the bills. HB 2216 raises the per square wager limit to five dollars and number of boards per event to two. HB 2219 gives the Gambling Commission the authority to adopt rules to set sport board per square wager limits and number of sport boards per event. Commissioners remained neutral on both bills.

HB 1159 and SB 5248 amends the definition of theft in the criminal code. The agency supported the bills last year and commissioners continued to support the bills during the 2020 session.

LLM Considine briefed the commissioners on the possibility of new sports gambling bills. There are two likely sports gambling bills – a tribal-only bill and a card room bill supported by Maverick Gaming. The commissioners discussed the policies that will likely be addressed in both bills. The commissioners decided to remain neutral on any sports gambling bill since it is the Legislature’s purview to authorize a new gambling activity and decide who may offer the activity. However, the commissioners did declare that any sports gambling bill should cover five areas: **(1)** Licensing and Regulation; **(2)** Agency Funding; **(3)** Money Laundering and Criminal Enforcement; **(4)** Sports and Gambling Integrity; **(5)** Responsible and Problem Gambling. The commissioners stated that they believe these five pillars are necessary for any sports gambling bill because they ensure that the agency can effectively regulate sports gambling if it is authorized.

Public Comment

There was no more public comment.

Chair Sizemore announced that the next meeting will be held at the Hilton Garden Inn on February 13, 2020, and that no further public business would be discussed after Executive Session.

Executive Session

Chair Bud Sizemore announced that the Commission would take a short break for executive session at 12:15 p.m. to discuss pending criminal investigations, tribal negotiations and litigations. He announced that the meeting would reconvene at 2:00 p.m.

The meeting adjourned at 2:15 p.m.



**Washington State Gambling Commission
Pre-Licensing Report
Manufacturer**

**Part I
Licensing/Organization Information**

Type of Approval Manufacturer License	Premises/Trade Name/Address The United States Playing Card Company 300 Gap Way Erlanger, KY 41018
Date of Application August 9, 2019	

APPLICANT INFORMATION

Name The United States Playing Card Company	License Application # 20-00267	Business Phone # (859) 815-7300
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Address
300 Gap Way
Erlanger, KY 41018

ACTIVE LICENSES ISSUED BY GAMBLING COMMISSION

Description/Class Manufacturer License	Exp. Date 12/31/2020	License Number(s) 20-00267
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COMMISSION STAFF

Licensing Specialist Cathee Gottfryd	Special Agents Julie Sullivan Donna Khanhasa
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Background/Structure

General Information:

The United States Playing Card Company (USPCC) is a manufacturer of playing cards. They have been licensed with us and in good standing since 2003. At the end of 2019, USPCC was acquired by Carta Mundi Inc, part of the Cartamundi Group. This was a 100% stock purchase. Because the transaction resulted in a new substantial interest holder in the licensee, USPCC applied for a new license in accordance with WAC 230-06-108.

Organizational/Ownership Structure:**The United States Playing Card Company**

Title	Name	Ownership %
President, Treasurer	Michael Slaughter	0
Secretary	Istvan Lagaert	0
Director	Stefaan Merckx	0
Shareholder	USPC Holding, Inc.	100%
TOTAL		100%

USPC Holding, Inc.

Title	Name	Ownership %
President, Treasurer	Michael Slaughter	0
Secretary	Istvan Lagaert	0
Director	Stefaan Merckx	0
Shareholder	Bicycle Holding, Inc.	100%
TOTAL		100%

Bicycle Holding, Inc.

Title	Name	Ownership %
President, Treasurer	Michael Slaughter	0
Secretary	Istvan Lagaert	0
Director	Stefaan Merckx	0
Shareholder	Carta Mundi Inc.	100%
TOTAL		100%

Carta Mundi Inc.

Title	Name	Ownership %
CEO	Stefaan Merckx	0
CFO	Istvan Lagaert	0
EVP	Philip Wauters	0
Shareholder	Cartamundi NV	100%
TOTAL		100%

Cartamundi NV

Title	Name	Ownership %
Director	Emile de Cartier de Marchienne	0
Director	Jean-Louis de Cartier de Marchienne	0
Director	Dimitri de Somer	0
Director	Frédéric de Somer	0
Director	Pierre Bosseloo	0
Shareholder	Van Genechten NV	49.98%
Shareholder	Brepols Group NV	50%
Shareholder	Other non-substantial interest holder	0.02%
TOTAL		100%

Van Genechten NV

Title	Name	Ownership %
Director	Dimitri de Somer	0
Director	John de Somer	0
Director	Philippe de Somer	0
Director	Frédéric de Somer	0
Director	Jean Désiré de Somer	0
Shareholder	Stichting Aquila	52.7%
Shareholder	Misc. (<10% diluted)	47.3%
TOTAL		100%

Stichting Aquila

Title	Name	Ownership %
Director	Philippe de Somer	46.16%
Shareholder	Misc. (<10% diluted)	53.84%
TOTAL		100%

Brepols Group NV

Title	Name	Ownership %
Director	Emile de Cartier de Marchienne	0
Director	Jean Louis de Cartier de Marchienne	0
Director	Paul de Jongh	0
Shareholder	Line-Management BVBA	32.79%
Shareholder	ASSaPP NV	39.77%
Shareholder	Misc. (<10% diluted)	27.44%
TOTAL		100%

Line-Management

Title	Name	Ownership %
Director	Emile de Cartier de Marchienne	90%
Director	Christian Deudon de le Vielleuze	0
Director	Martin de Cartier de Marchienne	0
Shareholder	Misc. (<10% diluted)	10%
TOTAL		100%

ASSaPP NV

Title	Name	Ownership %
Director	Jean-Louis de Cartier	0
Director	Elisabeth Laloux	0
Shareholder	ESPPAS SDC	99.98%
Shareholder	Misc. (<10% diluted)	0.02%
TOTAL		100%

ESPPAS SDC

Title	Name	Ownership %
Director	Jean-Louis de Cartier	84.31%
Shareholder	Misc. (<10% diluted)	15.69%
TOTAL		100%

Affiliated Company:

The Cartamundi Group is a leading manufacturer of playing cards, trading cards and board games throughout the world. They have been manufacturing playing cards since 1765; their games are sold in more than 185 countries. They plan to keep the manufacturing of playing cards for casinos in Washington State at the USPCC level.

Other Jurisdictions Licensed:

The Cartamundi Group is not licensed in any jurisdiction in the United States, however, the USPCC has been licensed throughout North America.

**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. Staff went on-site to Turnhout, Belgium, to conduct their investigation, which included verifying the ownership structure, reviewing financial and business records, and conducting interviews. The investigation found:

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

Source of Funds:

The company’s source of funds for the purchase of USPCC was bank loans from regulated financial institutions.

**Part III
Staff Recommendations**

Based upon the criminal history and financial background investigations, staff recommends licensing The United States Playing Card Company with a manufacturer license.

Prepared By Jennifer LaMont, Agent in Charge Licensing Unit	Signature 	Date 1/31/2020
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HOUSE-BANKED PUBLIC CARD ROOM REPORT

Current House- Banked Locations Operating		44			
	City	Commission Approval Date	License Expiration Date	Org #	License #
ACES CASINO ENTERTAINMENT	SPOKANE VALLEY	Mar 13, 2014	Dec 31, 2020	00-23112	67-00325
ALL STAR CASINO	SILVERDALE	Jan 14, 1999	Jun 30, 2020	00-18357	67-00058
BLACK PEARL RESTAURANT & CARD ROOM	SPOKANE VALLEY	Jan 10, 2013	Sep 30, 2020	00-22440	67-00321
BUZZ INN STEAKHOUSE/EAST WENATCHEE	EAST WENATCHEE	Oct 10, 2002	Dec 31, 2020	00-11170	67-00183
CARIBBEAN CARDROOM	KIRKLAND	Nov 14, 2019	Sep 30, 2020	00-24515	67-00343
CASINO CARIBBEAN	KIRKLAND	Nov 14, 2019	Sep 30, 2020	00-24512	67-00341
CASINO CARIBBEAN	YAKIMA	Nov 14, 2019	Sep 30, 2020	00-24513	67-00342
CHIPS CASINO/LAKEWOOD	LAKEWOOD	Apr 8, 1999	Dec 31, 2020	00-17414	67-00020
CLEARWATER SALOON & CASINO	EAST WENATCHEE	Feb 14, 2019	Dec 31, 2020	00-24296	67-00339
CLUB HOLLYWOOD CASINO	SHORELINE	Sep 9, 2010	Jun 30, 2020	00-22132	67-00303
COYOTE BOB'S CASINO	KENNEWICK	Jul 10, 2009	Mar 31, 2020	00-21848	67-00282
CRAZY MOOSE CASINO II/MOUNTLAKE TERRACE	MOUNTLAKE TERRACE	Jul 10, 2009	Mar 31, 2020	00-21849	67-00283
CRAZY MOOSE CASINO/PASCO	PASCO	Jul 10, 2009	Mar 31, 2020	00-21847	67-00281
EMERALD DOWNS	AUBURN	May 11, 2017	Mar 31, 2020	00-23814	67-00335
FORTUNE CASINO - RENTON	RENTON	Jan 8, 2015	Sep 30, 2020	00-23339	67-00327
FORTUNE CASINO - TUKWILA	TUKWILA	Oct 8, 2015	Jun 30, 2020	00-23465	67-00329
GOLDIE'S SHORELINE CASINO	SHORELINE	May 13, 1999	Dec 31, 2020	00-17610	67-00016
GREAT AMERICAN CASINO/EVERETT	EVERETT	Nov 12, 1998	Dec 31, 2020	00-19513	67-00194
GREAT AMERICAN CASINO/LAKEWOOD	LAKEWOOD	Aug 14, 2003	Jun 30, 2020	00-19258	67-00184
GREAT AMERICAN CASINO/TUKWILA	TUKWILA	Jan 15, 1998	Sep 30, 2020	00-12554	67-00012
HAWKS PRAIRIE CASINO	LACEY	Jul 12, 2001	Jun 30, 2020	00-17579	67-00091
IRON HORSE CASINO	AUBURN	Jan 9, 2003	Dec 31, 2020	00-19477	67-00192

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Current House- Banked Locations Operating**44**

	City	Commission Approval Date	License Expiration Date	Org #	License #
JOKER'S CASINO SPORTS BAR & FIESTA CD RM	RICHLAND	Nov 12, 1998	Dec 31, 2020	00-15224	67-00006
LANCER LANES/REST AND CASINO	CLARKSTON	Nov 13, 2008	Sep 30, 2020	00-21681	67-00276
LAST FRONTIER	LA CENTER	Feb 11, 1999	Sep 30, 2020	00-11339	67-00055
LILAC LANES & CASINO	SPOKANE	Jul 12, 2007	Jun 30, 2020	00-21305	67-00267
MACAU CASINO	TUKWILA	Nov 14, 2019	Sep 30, 2020	00-24514	67-00344
MACAU CASINO	LAKEWOOD	Nov 14, 2019	Sep 30, 2020	00-24516	67-00345
NOB HILL CASINO	YAKIMA	Sep 12, 2001	Dec 31, 2020	00-13069	67-00173
PALACE CASINO LAKEWOOD	LAKEWOOD	Jan 14, 1999	Dec 31, 2020	00-16542	67-00028
PAPAS CASINO RESTAURANT & LOUNGE	MOSES LAKE	Aug 13, 1998	Jun 30, 2020	00-02788	67-00004
RC'S AT VALLEY LANES	SUNNYSIDE	Nov 16, 2017	Mar 31, 2020	00-16220	67-00336
RIVERSIDE CASINO	TUKWILA	Aug 14, 2003	Jun 30, 2020	00-19369	67-00187
ROMAN CASINO	SEATTLE	Feb 10, 2000	Mar 31, 2020	00-17613	67-00057
ROXY'S BAR & GRILL	SEATTLE	Nov 18, 2004	Jun 30, 2020	00-20113	67-00231
ROYAL CASINO	EVERETT	Sep 9, 2010	Jun 30, 2020	00-22130	67-00301
SILVER DOLLAR CASINO/MILL CREEK	BOTHELL	Sep 9, 2010	Jun 30, 2020	00-22131	67-00302
SILVER DOLLAR CASINO/RENTON	RENTON	Sep 9, 2010	Jun 30, 2020	00-22134	67-00305
SILVER DOLLAR CASINO/SEATAC	SEATAC	Sep 9, 2010	Jun 30, 2020	00-22128	67-00299
SLO PITCH PUB & EATERY	BELLINGHAM	Aug 12, 1999	Jun 30, 2020	00-16759	67-00038
THE PALACE	LA CENTER	Apr 9, 1998	Jun 30, 2020	00-16903	67-00010
WILD GOOSE CASINO	ELLENSBURG	Apr 8, 2004	Dec 31, 2020	00-20009	67-00212
WIZARDS CASINO	BURIEN	Feb 11, 2010	Dec 31, 2020	00-21998	67-00287
ZEPPOZ	PULLMAN	Nov 13, 2008	Mar 31, 2020	00-18777	67-00209

Applications Pending**2**

	City	Commission Approval Date	License Expiration Date	Org #	License #
LUCKY DRAGONZ CASINO	SEATTLE			00-23001	67-00323
SUN PALACE CASINO	DES MOINES			00-24587	67-00346



COMMISSION APPROVAL LIST
(New Licenses & Class III Gaming Employees)
February 2020

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Based upon the licensing investigations, staff recommends approving all new Licenses and Class III employees listed on pages 1 to 19.

OK

ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

NEW APPLICATIONS

BINGO

AMERICAN LEGION 00072
00-01388 01-01022

116 COLLEGE AVE
CHENEY WA 99004

GLENWOOD CLUB 00059
00-11260 01-02359

5900 64TH ST NE
MARYSVILLE WA 98270

LOOM 02423
00-16612 01-02662

6719 NE 219TH AVE
BATTLE GROUND WA 98604-4038

RETIRED EAGLES ACTIVITY CLUB
00-23628 01-02714

1409 BAY AVE
OCEAN PARK WA 98640

RAFFLE

AMERICAN LEGION 00072
00-01388 02-20953

116 COLLEGE AVE
CHENEY WA 99004

EASTSIDE FRIENDS FOR CHILDREN'S
00-24607 02-21105

6238 NE 193RD CT
KENMORE WA 98028

FOE AUX 02809
00-23646 02-09650

4425 BURNHAM DR
GIG HARBOR WA 98332

FRIENDS OF EDMONDS IN BLOOM ASSOCIATION
00-24605 02-21104

400 4TH AVEN
EDMONDS WA 98020

LOOM 02423
00-16612 02-08848

6719 NE 219TH AVE
BATTLE GROUND WA 98604-4038

PENINSULA HIGH SCHOOL VOLUNTEER PARENTS ASSOCIA
00-24576 02-21095

14105 PURDY LN NW
GIG HARBOR WA 98332

PEORIA HOME
00-24593 02-21100

3331 BROADWAY
EVERETT WA 98201

PROGRESSIVE ANIMAL WELFARE SOCIETY
00-16990 02-02825

PO BOX 1037
LYNNWOOD WA 98046

SAFARI CLUB INTL/INLAND EMPIRE CHPTR
00-14955 02-02555

100 N HAYFORD RD
AIRWAY HEIGHTS WA 99001

SEATTLE ARTS & LECTURES
00-23849 02-20693

99 UNION ST
SEATTLE WA 98101

SKOOKUM KIDS
00-24317 02-21107

316 E MCLEOD RD
BELLINGHAM WA 98226

JK

ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

NEW APPLICATIONS**RAFFLE**

SPOKANE FALLS COMMUNITY COLLEGE ASSOCIATED STU
00-21505 02-20949

3410 W FORT GEORGE WRIGHT DR
SPOKANE WA 99224

SPOKANE WALLEYE CLUB
00-23842 02-20690

6116 N MARKET ST
SPOKANE WA 99208

STEVENS PTA 6.15.327
00-23194 02-09410

415 WESTLAKE
SEATTLE WA 98109

THE CATHEDRAL OF OUR LADY OF LOURDES - SPOKANE
00-24583 02-21098

1115 W. RIVERSIDE AVE
SPOKANE WA 99201

VFW AUXILIARY OF GRANT FARMER POST 992
00-24567 02-21094

102 N COLVILLE ST
WALLA WALLA WA 99362

WEST VALLEY HS PTSA
00-22146 02-21009

9800 ZIER ROAD
YAKIMA WA 98908

PUNCHBOARD/PULL-TAB NONPROFIT

AMERICAN LEGION 00072
00-01388 05-02413

116 COLLEGE AVE
CHENEY WA 99004

LOOM 02423
00-16612 05-09139

6719 NE 219TH AVE
BATTLE GROUND WA 98604-4038

PUNCHBOARD/PULL-TAB COMMERCIAL STIMULANT

BREAK ROOM PIZZA & BILLIARDS
00-24577 05-21650

2510 84TH ST S STE 16
LAKEWOOD WA 98499

CHARLIE P'S
00-24585 05-21654

8125 E SPRAGUE AVE
SPOKANE VALLEY WA 99212

CREEKSIDE ALE HOUSE
00-24552 05-21641

12401 20TH ST NE
LAKE STEVENS WA 98258

HARD LUCK BAR & GRILL
00-22415 05-21027

10713 PARK AVE S
TACOMA WA 98444

HERBS BAR & GRILL
00-24584 05-21653

132 DIVISION ST
GRANDVIEW WA 98930

IKINA SUSHI & CAPITOL LOUNGE
00-24342 05-21593

916 E PIKE
SEATTLE WA 98122

ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

NEW APPLICATIONS**PUNCHBOARD/PULL-TAB COMMERCIAL STIMULANT**

POGGIE TAVERN
00-24569 05-21647

4717 CALIFORNIA AVE SW
SEATTLE WA 98116

SCOREBOARD PUB
00-24568 05-21646

1200 S 324TH ST
FEDERAL WAY WA 98003

SIDELINE SPORTS BAR
00-24575 05-21649

3720 FACTORIA BLVD SE STE F
BELLEVUE WA 98006

TWISTED LIME ISLAND PUB
00-24590 05-21656

3916 148TH ST SE STE 200
MILL CREEK WA 98012

YELLA BEAK SALOON
00-24592 05-21657

23525 SE 436TH ST
ENUMCLAW WA 98022

MANUFACTURER

THE UNITED STATES PLAYING CARD COMPANY
20-00267 20-00267

300 GAP WAY
ERLANGER KY 41018

COMMERCIAL AMUSEMENT GAMES - CARNIVAL

BOGUEY CONCESSIONS
00-17807 52-02282

54905 SHADY LANE
THERMAL CA 92274

COMMERCIAL AMUSEMENT GAMES OPERATOR

CHUCK E CHEESE'S 00300
00-24537 53-21537

625 BLACK LAKE BLVD
OLYMPIA WA 98502

CHUCK E CHEESE'S 00305
00-24539 53-21539

2239 148TH AVE
BELLEVUE WA 98007

CHUCK E CHEESE'S 00306
00-24541 53-21541

25817 104TH AVE SE
KENT WA 98031

CHUCK E CHEESE'S 00333
00-18871 53-21540

7721 VANCOUVER PLAZA DR
VANCOUVER WA 98662

CHUCK E CHEESE'S 00338
00-24542 53-21542

621 CASCADE MALL DR
BURLINGTON WA 98233

ORGANIZATION NAME

LICENSE NUMBER

PREMISES LOCATION

NEW APPLICATIONS

COMMERCIAL AMUSEMENT GAMES OPERATOR

CHUCK E CHEESE'S 00343
00-24573 53-21547

10007 N NEVADA ST
SPOKANE WA 99218-1420

CHUCK E CHEESE'S 00344
00-24538 53-21538

14919 E SPRAGUE AVE
SPOKANE WA 99216

CHUCK E CHEESE'S 00622
00-24543 53-21543

2771 NW MYHRE RD
SILVERDALE WA 98383

CHUCK E CHEESE'S 00624
00-24544 53-21544

3717 196TH ST SW 100
LYNNWOOD WA 98036

CHUCK E CHEESE'S 00626
00-24545 53-21545

4911 TACOMA MALL BLVD
TACOMA WA 98409

LUCKY STRIKE LANES
00-24480 53-21535

700 BELLEVUE WAYNE
BELLEVUE WA 98004

CARD GAME NON HOUSE-BANKED

GLENWOOD CLUB 00059
00-11260 60-00301

5900 64TH ST NE
MARYSVILLE WA 98270

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

DISTRIBUTOR REPRESENTATIVE

SMITH, JAMES D
22-01280

JCM GLOBAL
LAS VEGAS NV 89119-3728

MANUFACTURER REPRESENTATIVE

ALEMAN, BRIAN L
23-03062

IGT
LAS VEGAS NV 89113

BROWN, REGINA A
23-03066

AGS LLC
LAS VEGAS NV 89118

DELA CRUZ, RYANA
23-03057

IGT
LAS VEGAS NV 89113

FOSTER, WENDY L
23-03059

IGT
LAS VEGAS NV 89113

FRANK, TODD C
23-03003

THE UNITED STATES PLAYING CARD C
ERLANGER KY 41018

GREIG, DAMIEN J
23-03067

BALLY TECHNOLOGIES
LAS VEGAS NV 89119

JONES, AMBER E
23-03055

VGT
FRANKLIN TN 37067

KAZHIYUR RAJAGOPALAN, NARASIMHAN
23-03069

BALLY TECHNOLOGIES
LAS VEGAS NV 89119

KIM, STEVE K
23-03065

BALLY TECHNOLOGIES
LAS VEGAS NV 89119

MADDING, SCOTT A
23-03006

THE UNITED STATES PLAYING CARD C
ERLANGER KY 41018

MASON, CASEY J
23-03063

IGT
LAS VEGAS NV 89113

ROBERTSON, KEITH T
23-03058

IGT
LAS VEGAS NV 89113

SANCHEZ, GEORGE M SR
23-03060

BALLY TECHNOLOGIES
LAS VEGAS NV 89119

SILVER, MICHAEL A
23-03056

IGT
LAS VEGAS NV 89113

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

MANUFACTURER REPRESENTATIVE

STENNES, IAN T
23-03064

ARISTOCRAT TECHNOLOGIES INC
LAS VEGAS NV 89135

TRAMMELL, EDGAR W III
23-03061

ASAI
GLENDALE CA 91203

TURNER, MARCUS D
23-02890

IGT
LAS VEGAS NV 89113

VESELY, KRISTEL A
23-03068

BALLY TECHNOLOGIES
LAS VEGAS NV 89119

NON-PROFIT GAMBLING MANAGER

FERNANDEZ, JOHN A
61-04726

FOE 02069
SEDRO WOOLLEY WA 98284

NOWARK-STULCE, SHAWNETTE J
61-04725

FOE 02622
MOSES LAKE WA 98837

SERVICE SUPPLIER REPRESENTATIVE

BISHOP FOSTER, PATRICE D
63-00907

GAMING MANAGEMENT
LAKEWOOD WA 98499

JULIANO, MARK T
63-00902

MAVERICK WASHINGTON
LAS VEGAS NV 89119

MORGAN, JULIEBETH M
63-00911

MAVERICK WASHINGTON
LAS VEGAS NV 89119

NAPOLEON, HIAWATHA
63-00625

NORTH AMERICAN VIDEO
BRICK NJ 08723

PERKINS, STEPHEN C
63-00903

TECHNOLOGENT
IRVINE CA 92618

PIERCE, KATIE G
63-00908

MAVERICK WASHINGTON
LAS VEGAS NV 89119

SENIOR, KEITH B
63-00910

MAVERICK WASHINGTON
LAS VEGAS NV 89119

SHEN, JOSEPH
63-00904

TECHNOLOGENT
IRVINE CA 92618

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

SERVICE SUPPLIER REPRESENTATIVE

SHRIVER, MICHELLE A
63-00906

WG-AIRWAY HEIGHTS LLC
LAS VEGAS NV 89119

TEW, WILLIAM E
63-00905

WG-AIRWAY HEIGHTS LLC
LAS VEGAS NV 89119

WOODS, ARIEL L
63-00909

MAVERICK WASHINGTON
LAS VEGAS NV 89119

CARD ROOM EMPLOYEE

ALBERT-SONNEMAN, JACOB M
68-35613

B

SLO PITCH PUB & EATERY
BELLINGHAM WA 98225

AN, JESSICA M
68-08085

B

CLUB HOLLYWOOD CASINO
SHORELINE WA 98133

ANGARITA BONILLA, MIRTHA J
68-31881

B

GREAT AMERICAN CASINO/EVERETT
EVERETT WA 98204

BAI, NANDI
68-35609

B

ROXY'S BAR & GRILL
SEATTLE WA 98126

BALAM-CUPUL, LEONARD G
68-34037

B

GOLDIE'S SHORELINE CASINO
SHORELINE WA 98133

BROOKS-BARIL, LEVI J
68-35606

B

SLO PITCH PUB & EATERY
BELLINGHAM WA 98225

CASTILLO, ALMA L
68-35589

B

CASINO CARIBBEAN
YAKIMA WA 98901

CHHAN, NARY C
68-05711

B

ROMAN CASINO
SEATTLE WA 98178

COX, ULYSSES III
68-35615

B

RIVERSIDE CASINO
TUKWILA WA 98168

DAVIS, RACHEL M
68-35610

B

CLEARWATER SALOON & CASINO
EAST WENATCHEE WA 98802

DIETZMAN, CHARLES M
68-28840

B

GREAT AMERICAN CASINO/EVERETT
EVERETT WA 98204

DONG, JIERU
68-35614

B

RIVERSIDE CASINO
TUKWILA WA 98168

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

CARD ROOM EMPLOYEE

ESTERS, JAXON A 68-35601	B	CRAZY MOOSE CASINO/PASCO PASCO WA 99301
FABER, TYREL D 68-35632	B	BLACK PEARL RESTAURANT & CARD SPOKANE VALLEY WA 99206-471
FERNANDEZ, FRANCINE R 68-35603	B	PALACE CASINO LAKEWOOD LAKEWOOD WA 98499-8434
FISK, JOSEPH A 68-35627	B	GREAT AMERICAN CASINO/LAKEWOOD LAKEWOOD WA 98499
GARNER, CHELSEA L 68-32075	B	THE PALACE LA CENTER WA 98629
GEHO, MICHAEL A 68-31391	B	RC'S AT VALLEY LANES SUNNYSIDE WA 98944
HAK, SAMATH 68-28793	B	LAST FRONTIER LA CENTER WA 98629-0000
HALL, SCARLET Y 68-22902	B	ROXY'S BAR & GRILL SEATTLE WA 98126
HANSEN, RONALD D 68-35600	B	CARIBBEAN CARDROOM KIRKLAND WA 98034
HODGE, AMY C 68-35622	B	CRAZY MOOSE CASINO/PASCO PASCO WA 99301
HOLMES, DENISE J 68-09256	B	CHIPS CASINO/LAKEWOOD LAKEWOOD WA 98499
KHY, BOTRA 68-33914	B	GREAT AMERICAN CASINO/LAKEWOOD LAKEWOOD WA 98499
KIM, CHINDA 68-26381	B	CRAZY MOOSE CASINO II/MOUNTLAK MOUNTLAKE TERRACE WA 9804
KUHLMANN, DAVON K 68-35624	B	NOB HILL CASINO YAKIMA WA 98902
KUNTZ, LEIGHTON W 68-35626	B	BLACK PEARL RESTAURANT & CARD SPOKANE VALLEY WA 99206-471
LAURIA, MICHAEL III 68-35595	B	COYOTE BOB'S CASINO KENNEWICK WA 99336

PERSON'S NAME
LICENSE NUMBER

EMPLOYER'S NAME
PREMISES LOCATION

NEW APPLICATIONS

CARD ROOM EMPLOYEE

LAY, PHALLY 68-05110	B	ROXY'S BAR & GRILL SEATTLE WA 98126
LAYNE, DONOVAN N 68-07166	B	CLUB HOLLYWOOD CASINO SHORELINE WA 98133
LETSCH, LYNN D 68-35617	B	LILAC LANES & CASINO SPOKANE WA 99208-7393
LOENG, BUN L 68-23672	B	ROXY'S BAR & GRILL SEATTLE WA 98126
LOVE, KURTIS M 68-35623	B	BUZZ INN STEAKHOUSE/EAST WENAT EAST WENATCHEE WA 98802
MAO, SOCHANTRY 68-23109	B	MACAU CASINO TUKWILA WA 98188
MARTIN, DAVID A 68-34602	B	FORTUNE CASINO - TUKWILA TUKWILA WA 98168
MORIN, KELVIN K 68-35608	B	CLUB HOLLYWOOD CASINO SHORELINE WA 98133
MUNOZ, JOSE D JR 68-35599	B	GREAT AMERICAN CASINO/LAKEWOOD LAKEWOOD WA 98499
NGO, THANH T 68-14302	B	ROMAN CASINO SEATTLE WA 98178
OSAKO, KEN Y 68-35598	B	FORTUNE POKER RENTON WA 98057
OUCH, LYLA P 68-35631	B	PALACE CASINO LAKEWOOD LAKEWOOD WA 98499-8434
OUK, VIBOL 68-09359	B	SILVER DOLLAR CASINO/RENTON RENTON WA 98057
OWENS, GREGGORY A 68-11573	B	CLUB HOLLYWOOD CASINO SHORELINE WA 98133
POM, HAI 68-07518	B	MACAU CASINO TUKWILA WA 98188
PON, NAVY 68-35612	B	PALACE CASINO LAKEWOOD LAKEWOOD WA 98499-8434

PERSON'S NAME
 LICENSE NUMBER

EMPLOYER'S NAME
 PREMISES LOCATION

NEW APPLICATIONS

CARD ROOM EMPLOYEE

REID, JEANNIE M 68-35628	B	CASINO CARIBBEAN YAKIMA WA 98901
SAVINI, COMMODIUS S 68-35625	B	MACAU CASINO LAKEWOOD WA 98499
SMAN, SAMANTHA S 68-35597	B	FORTUNE CASINO - RENTON RENTON, WA 98055
SPENCER, CHRISTINA L 68-26828	B	SILVER DOLLAR CASINO/MILL CREEK BOTHELL WA 98012
TENNANCOUR, DYLAN A 68-35590	B	CRAZY MOOSE CASINO/PASCO PASCO WA 99301
TONNE, BRADY S 68-35621	B	CLUB HOLLYWOOD CASINO SHORELINE WA 98133
UVALLE, ALICIA A 68-35619	B	CASINO CARIBBEAN YAKIMA WA 98901
VELASQUEZ, DENICE M 68-03600	B	JAMESTOWN SALOON ARLINGTON WA 98223
VELASQUEZ, TESSA M 68-35618	B	JAMESTOWN SALOON ARLINGTON WA 98223
VONG, ASANG 68-35602	B	CLUB HOLLYWOOD CASINO SHORELINE WA 98133
WAGNER, WILLIAM R 68-14907	B	CRAZY MOOSE CASINO/PASCO PASCO WA 99301
WHEELER, DALLON J JR 68-34794	B	LANCER LANES/REST AND CASINO CLARKSTON WA 99403-2219
WHITE, DAVID J 68-11880	B	ACES CASINO ENTERTAINMENT SPOKANE VALLEY WA 99216
WU, SHUXIAN 68-35630	B	RIVERSIDE CASINO TUKWILA WA 98168

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

CHEHALIS CONFEDERATED TRIBES

ALCALA, AGUSTINE
69-48223

BICKLE, CODY J
69-43376

BROWER, SEAN A
69-48221

CONNER, JORDAN L
69-48093

FASANO, NARCITA C
69-31542

MILLER, REBECCA M
69-48222

RAGSAC, TYLER C
69-48224

REYES-SANCHEZ, MONICA
69-39726

COWLITZ INDIAN TRIBE

BLANTON, JACQUELYN K
69-48154

BRUNGARDT, CORY N
69-48140

CALHOUN, ASHLEY S
69-41847

CHOULES, BRENT C
69-48064

COCHRANE, WILLIAM A
69-48125

CYR, JUSTIN A
69-42036

ELMORE, WALTER C
69-48119

FERDON, BARBARA J
69-48188

FOSTER, JOSEPH M
69-48164

FREEMAN, LUCAS X
69-48120

GRAHAM, MARSHALL J
69-48163

GRIFFIN, BRITTNIE M
69-48122

HADALLER, ELLEN T
69-48156

HAWTHORNE, GAVIN D
69-48124

HOANG, PHUONG D
69-48063

HUBBART, MINNIE A
69-48155

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

COWLITZ INDIAN TRIBE

JONES, KYLEE E
69-48161

KORDENAT, STEVEN B
69-48126

LOCKHART, LEANN B
69-48151

MCCRAY, CHASE T
69-48159

MURPHY, BRIAN C
69-48160

OLSON, SAMANTHA J
69-48128

PERRIN, LILLY A
69-48162

PETERSON, MELISSA A
69-48123

SMITH, KIMBERLY D
69-48180

TURNBULL, CAROL A
69-48121

WILSON, MICHAEL J
69-48150

WISNER, SASHA G
69-48127

KALISPEL TRIBE

ANAYA, MARIA D
69-48227

ATWOOD, STEPHANIE S
69-48186

BARROWS, ROBERT C
69-48187

BEAN, ROBERT S JR
69-48228

BRISBOIS, MARIAH M
69-48094

BROWN, REX B
69-48145

BRUYER, KEITH D
69-48229

BURTON, RACHEL R
69-48179

DEL ROSARIO, JASMIN E
69-48185

JACKSON, ROBYN L
69-48143

KORTNESS, KENNETH L JR
69-48225

LETASKY, MELISSA S
69-48226

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

KALISPEL TRIBE

LINFORD, RYAN A
69-48239

OTT, JOHN L
69-48184

SCHOENER, JULIE K
69-48095

SCHRADER, BRENDA J
69-48144

TIPPETT, AIMEE K
69-45628

WILLIS, CHRISTOPHER P
69-48183

LUMMI NATION

ATTOLINI, DANTE W
69-48075

DECOTEAU, JEROME M
69-03819

FERNANDEZ-FERGUSON, JOSE A
69-48203

FERRERALVAREZ, JOSEPH L
69-48165

FINKBONNER, JUSTIN J
69-48074

GALINDO, MANUEL I
69-48167

KOPE, TANNER M
69-48230

LACLAIR, ALEXANDER T
69-39989

MUCKLESHOOT INDIAN TRIBE

MALLERY, CHELSEY R
69-37661

MILNE, ALBERT N
69-48103

SERAILE, OCTAVE J
69-48104

SIMMONS, JOYLENE L
69-48157

NISQUALLY INDIAN TRIBE

ALEXANDER, AMBER N
69-48199

CALLIES, JAMES D
69-48110

CASAVANT, JOHN B
69-48198

CHOKE, ANTHONY R
69-34904

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

NISQUALLY INDIAN TRIBE

CHUM, RUEBEN J
69-38966

CORLESS, MARJOREE J
69-20389

LEMARR, JORDYN R
69-48200

MICHEAUX, RENEE J
69-48107

MILLER, ALEC V
69-48102

NELSON, DEIRDRA R
69-48105

SCHULER, KIMBERLY R
69-48109

SIMON, SCOTT A
69-48106

SIMON, STEPHANIE
69-48108

WILLIAMS, MATTHEW P
69-48197

NOOKSACK INDIAN TRIBE

DOAN, THIEN P
69-48090

FOSTER, JORDY M
69-48141

GONZALES, DOMINIC I
69-48091

TAYLOR, AMY L
69-10024

PORT GAMBLE S'KLALLAM TRIBE

BROOKE, CYNTHIA L
69-48111

BROWN, MARY ANN
69-48112

COCHARO, SAMUEL J
69-48115

CRUTCHFIELD, MERISSA L
69-48116

LOVITT, JESSIE N
69-48114

PUYALLUP TRIBE OF INDIANS

AMOS, GIANNI V
69-48242

AVILA, WILSON L
69-48169

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

PUYALLUP TRIBE OF INDIANS

BAHENA-GEORGE, MARIA R
69-48101

BARRON HERNANDEZ, MAYRA I
69-48146

CARROLL, DOMINIQUE E
69-48240

DAVIS, DYLAN C
69-48237

DAVIS, ERIN R
69-48118

ELISARA, FONTAINE M
69-48191

FAILAUGA, DARRELL E
69-48100

INGRAM, AARON A
69-48171

LITTLE, TRYSTIN A
69-48137

LOVELACE, MARQUEZ V
69-48168

MUKAI, JONATHAN L
69-48238

PERRY, TINA M
69-06397

PRIDEAUX, ROBERT L
69-48170

REAL, BOUNTHOUN
69-38361

RIDEOUT, JOSEPH A
69-48138

ROPER, EDUARDO C
69-48139

SCOTT, NE
ELTAE D 69-
48241

WILLIAMS, JONATHAN R
69-48195

SKOKOMISH TRIBE

HEARN, DAVID J
69-48134

TALMADGE, ROBERT A
69-48135

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

SNOQUALMIE TRIBE

BURY, DANIEL M
69-48231

COCHRAN, CHERYL L
69-05278

GANT, FRANKLIN L JR
69-48147

GIBSON, TASHAWN L
69-48235

HARMON LANE, RYAN W
69-48234

JANTOC, MATALENA T
69-48233

KHAING, SOE
69-48193

LEE, JUSTIN P
69-48194

MACELI, SCOTT P
69-35928

PERRY, BRANDON A
69-48192

SCHLIESMAN, KASSANDRA N
69-48232

SIMONTON, MARCUS B
69-48148

YIN, SONG B
69-13590

SPOKANE TRIBE

FIFER, WILLOW D
69-48084

MCNICKLE, ALYSSA C
69-48092

SHEPARD, HUNTER A
69-48136

SQUAXIN ISLAND TRIBE

CANNON, WILLIAM B
69-48087

DRAKE, BRIAN A
69-26519

GORMAN-SAGE, KRISTIE M
69-31466

JONES, JACQUELYNN A
69-48173

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

SQUAXIN ISLAND TRIBE

KAUHAAHAA, FRANCIS D
69-48182

MANU, MARCUS J
69-48089

SWOPE, MARISSA S
69-48149

WALSH, STEVEN G
69-48088

STILLAGUAMISH TRIBE

MORENO, AYLAL
69-48129

RHAMY, KIMBERLY
69-48204

SUQUAMISH TRIBE

GONZALEZ, RAMON J
69-48206

JOHNSON, STEPHEN J
69-48205

PELLOW, NORA L
69-48175

SHABANI, DELARAM
69-48207

STONER, DEANNA L
69-48174

SWINOMISH INDIAN TRIBAL COMMUNITY

DEBRUM, CHRISTIANA
69-39112

THE TULALIP TRIBES

BLANCHARD, ANTHONY B
69-07188

BRYANT, ANTHONY L
69-48132

CARROLL, JAMELL J
69-48196

CLEVELAND, BRENT G
69-26020

D'ARCIS, JESSICA E
69-48078

DAWSON, JEREMIAH T
69-48133

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

THE TULALIP TRIBES

ERVIN, NOAH J
69-48076

GOERS, NATHANEAL D
69-48152

HOPPE, JOSHUA A
69-35796

JOHNSON, ASHLEY V
69-48077

MARTINEZ, JESSICA D
69-48130

SAWYER, ADRIAN R
69-35991

SCHROYER, MICHAEL S
69-48131

VALDEZ, ESTHER M
69-16364

WALLACE, CORBY J
69-48172

UPPER SKAGIT INDIAN TRIBE

AVALOS, STACY D
69-48166

CRESS, JULIANNA M
69-48212

DERN, CHRISTINE E
69-48211

HENCE, VALERIE A
69-48202

MITCHELL, THOMAS S
69-48153

WILLIAMS, EDWINA R
69-19642

YAKAMA NATION

GORE, ANIKA C
69-48178

HERNANDEZ, DEVAÑTE T
69-48219

IKE, AILEEN J
69-48220

MCJOE, SILAS J
69-48176

PASKEMIN, EARVIN E
69-34887

PASKEMIN, TIERRA ELLEN R
69-48218

PERSON'S NAME

CERTIFICATION / ELIGIBILITY NUMBER

NEW APPLICATIONS

CLASS III GAMING EMPLOYEE

YAKAMA NATION

PHILLIPS, STACEY J
69-43231

STWYER, ANGELA M
69-32216

WAKWAK, SIRENA R
69-48177

WALLAHEE, ROBERTA L
69-23093

Staff Proposed Rule-Making

WAC 230-05-124 – Quarterly license reports and quarterly license fees.



February, 2020 – Discussion and Possible Filing
October, 2020 – Initiate Rule-Making

Tab 2: FEBRUARY, 2020 Commission Meeting Agenda.	Statutory Authority 9.46.070
Who Proposed the Rule Change?	
Washington State Gambling Commission Staff	
Background	
<p>BOLD = Updated information since October, 2019 Commission meeting.</p> <p>In 2017-18, the Gambling Commission amended its rules to simplify its reporting and licensing fee structure. After a year of implementation, staff proposes amending the received dates in WAC 230-05-124, Quarterly license reports and quarterly license fees, to not only be consistent with the last date of the month but to also be consistent with received dates of other state agencies as well.</p> <p>Attachments:</p> <ul style="list-style-type: none">• WAC 230-05-124	
Stakeholder Feedback	
<p>A review of our records found that many licensees who filed late quarterly license reports over the past year, did so by only a day, therefore changing this date to be consistent with the end of the month may help to improve compliance rates.</p>	
Staff Recommendation	
Staff recommends filing the proposed language for further discussion.	

WAC 230-05-124 Quarterly license ~~fees~~ reports and

quarterly license reports ~~fees~~. All licensed organizations must submit quarterly license ~~fees~~ reports and quarterly license reports ~~fees~~ to us for each licensed gambling activity beginning with the first quarter of their license year. The quarterly license fee is due with the quarterly license report.

The quarterly license reports must be in the format we require and must:

(1)

Cover the period:	Be received by us no later than:
January 1 through March 31	April 30
April 1 through June 30	July 3 1 <u>0</u>
July 1 through September 30	October 3 1 <u>0</u>
October 1 through December 31	January 3 1 <u>0</u>

(2) Be received online at our administrative office or postmarked no later than the dates indicated in the table in subsection (1) of this section; and

(3) Be submitted even if there is no quarterly license fee payable to us; and

(4) Be accurate; and

(5) Be completed by the highest ranking executive officer or a designee. If someone other than the licensee or an employee

prepares the report, the preparer must include his or her name and business telephone number on the report; and

(6) Be submitted for any period of time the license was valid, even if there was no gambling activity or the gambling license was not renewed.

[Statutory Authority: RCW 9.46.070. WSR 18-05-026, § 230-05-124, filed 2/9/18, effective 5/1/18.]



Staff Proposed Rule-Making

- WAC 230-06-155- Defining “gross sales.”
- WAC 230-06-160- Defining “net gambling receipts.”
- WAC 230-06-165- Defining “net gambling income.”
- WAC 230-06-175- Defining “cost.”

February, 2020 – Initiation of Rule-Making

Tab 3: FEBRUARY, 2020 Commission Meeting Agenda.	Statutory Authority 9.46.070
Who Proposed the Rule Change?	
Washington State Gambling Commission Staff	
Background	
<p>A header exists within Chapter 230-06 WAC titled “License Renewals and Activity Reports”. This header is no longer relevant as Activity Reports are no longer used, therefore this header should be repealed.</p> <p>Staff has also identified four definitions listed under this section that are referenced in other chapters of WAC:</p> <ul style="list-style-type: none"> • WAC 230-06-155- Defining “gross sales.” is also used in Chapter 230-03 WAC. • WAC 230-06-160- Defining “net gambling receipts.” is also used in Chapter 230-07 WAC and Chapter 230-10 WAC. • WAC 230-06-165- Defining “net gambling income.” is also used in Chapter 230-07 WAC. • WAC 230-06-175- Defining “cost.” is also used in Chapter 230-14 WAC. <p>Staff recommends placing these definitions at the beginning of each chapter where they are referenced to assist licensees.</p> <p>Staff also recommends amending the following definitions to further clarify sales tax:</p> <ul style="list-style-type: none"> • WAC 230-06-160- Defining “net gambling receipts.” • WAC 230-06-175- Defining “cost.” 	
Staff Recommendation	
<p>Staff recommends initiating rule-making to repeal the header titled “License Renewals and Activity Reports”, place the definitions used throughout chapters of WAC at the beginning of each chapter they are referenced, and to amend WAC 230-06-160 and WAC 230-06-175 to clarify sales tax.</p>	

**Rule Petition to Adopt
Commercial Gambling**



**February, 2020 – Commission Petition Review
December, 2019 – Petition to Initiate Rule-Making**

Tab 4: FEBRUARY, 2020 Commission Meeting Agenda.

Statutory Authority 9.46.070

Who Proposed the Rule Change?

Johnboy Buyak, Bonney Lake, Washington

Background

The petitioner is proposing to adopt a rule to allow commercial gambling in Washington. Several attempts were made to reach the petitioner for more information (by email on January 2, 2020 and by phone on January 22, 2020 and January 29, 2020) with no success.

RCW 9.46.010 does not allow for commercial gambling in this sense.

Furthermore, WAC 230-17-190, Information required on a petition, outlines what information must be included in a petition, which the petitioner failed to provide.

Attachments:

- Petition

Staff Recommendation

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

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

Staff recommends denying the petition as RCW 9.46.010 does not allow for commercial gambling in the state of Washington.

From: dan.heisel@watech.wa.gov on behalf of [WSGC Web](#)
To: [Rules Coordinator \(GMB\)](#)
Subject: Request a Rule Change Submission from wsgc.wa.gov
Date: Sunday, December 22, 2019 6:21:30 PM

Submitted on Sunday, December 22, 2019 - 6:21pm

Submitted by anonymous user: 67.168.136.98

Submitted values are:

Petitioner's Name: Johnboy Buyak

Mailing Address: 10809 180th ave e

City: Bonney Lake

State: WA

Zip Code: 98391

Phone: 2539703337

Email: johnboybuyak@yahoo.com

Rule Petition Type: New Rule – I am requesting WSGC to adopt a new rule.

==New Rule – I am requesting WSGC to adopt a new rule.==

Subject or purpose of the rule: commercial gambling in Washington

The rule is needed because:

The effect of this rule change will be:

The results of this submission may be viewed at:

<https://www.wsgc.wa.gov/node/18/submission/1319>

Agency Request Legislation (cont...)

2. **HB 2281 and HB 6120, Nonprofit Qualifications**

HB 2281 was heard in the House Commerce and Gaming Committee and unanimously passed out of Committee on January 21, 2020. The bill is currently in the House Rules Committee and we hope to get it to the House floor and passed by the February 19th floor cutoff.

SB 6120 was heard in the Senate Labor and Commerce Committee on January 21, 2020. We are still determining if the bill will receive executive action this week and passed out of Committee prior to the February 7th cutoff.

Bills Supported by the Commission

3. **HB 1159, Changing the definition of theft**

Representative Griffey's HB 1159 amends the definition of "theft" for purposes of theft-related offenses to include concealing the property of another intending to deprive the other person of its use or benefit. This bill is currently on the House Floor Second Reading Calendar and stakeholders are working to have it passed out of the House by the February 19th Floor cutoff.

Possible Commissioner Action Items:

4. **HB 2492 and SB 6357, Increasing the wager limit for pull-tabs (attached)**

Representative Peterson's HB 2492 and Senator Conway's SB 6357 increase the pull-tab wager limit in RCW 9.46.110 from one to five dollars. HB 2492 was heard by the House Commerce and Labor Committee and unanimously passed out Committee on January 30, 2020.

SB 6357 was heard by the Senate Labor and Commerce Committee and unanimously passed out of Committee on January 23, 2020. The bill is now on the Second Reading Senate Floor Calendar and will likely be passed out of the Senate by the February 19th floor cutoff.

5. **HB 2720 and SB 6568, Concerning the application of gambling loss recovery laws to certain online games of chance (attached)**

Representative Hudgin's HB 2720 and Senator Mullet's SB 6568 amend the Gambling Loss Recovery tort statute in RCW 4.24.070 to exclude: "online games of chance when played solely for entertainment purposes with virtual items if such virtual items may be used only for gameplay and may not be, per the terms of service of the game, transferred, exchanged, or redeemed for money or property."

These bills are the social casino game industry's request to help them resolve the "Big Fish" online casino issue stemming from the *Kater v. Churchill Downs* 9th Circuit decision that was brought before the Commission's review during the *Big Fish, Inc.*'s Petition for Declaratory Order in 2018.

HB 2720 was heard in the House Civil Rights and Judiciary Committee on January 28, 2020 and is not currently scheduled for executive action. SB 6568 is scheduled for a hearing in the Senate Financial Institutions, Economic Development and Trade Committee on February 4, 2020.

Possible Commissioner Action Items (cont...)

6. HB 2478 and SB 6277, Authorizing sports wagering at tribal casinos, card rooms, and racetracks (attached)

Representative Vick's HB 2478 and Senator King's SB 6277 are the Maverick Gaming-backed sports gambling bills. The bills would authorize on-premise and online sports gambling for card rooms, horse race tracks, and tribal casinos in the state. The Gambling Commission is the primary state regulator; a 10% state tax is imposed; and a \$500,000 initial licensing fee is established with annual fees to be set by the Commission "based upon the expense associated with renewal, enforcement, and programs for the prevention and treatment of problem gambling." The bill also contains provisions addressing regulation, criminal enforcement, and sport and game integrity.

SB 6277 had a hearing in the Senate Labor and Commerce Committee on January 30, 2020 and it is unclear if the bill will be passed out of Committee by the February 7th cutoff. HB 2478 did not receive a hearing in the House Commerce and Gaming Committee.

7. SHB 2638 and SB 6394, Authorizing sports wagering subject to the terms of tribal-state gaming compacts (attached)

Representative Peterson's HB 2638 and Senator Saldaña's SB 6394 are the tribal-only sports gambling bills. The bills would authorize retail and mobile sports gambling only at tribal casino locations. The parameters of tribal sports gambling would be determined by tribal-state gaming compacts.

HB 2638 was heard in the House Commerce and Gaming Committee and the bill was amended in Committee to address the Gambling Commission's five regulatory pillars identified at our January Commission Meeting. SHB 2638 was passed out of Committee (8-2) on January 30, 2020.

A substitute to SB 6394 was heard by the Senate Labor and Commerce Committee on January 30, 2020. It is unclear if the bill will be passed out of Committee by the February 7th cutoff.

Bills with Direct Impact to the Gambling Commission or Industry

8. HB 2216 and HB 2219, Sports Boards

Representative Eslick's HB 2216 and HB 2219 changes to the Gambling Act's sports boards limits and rules were heard in the House Commerce and Gaming Committee. HB 2216, the bill increasing the wager limit to five dollars and number of boards per event to two, passed unanimously out of Committee on January 21, 2020. It is now in the House Rules Committee.

9. HB 2839, Regulating interactive digital entertainment products

Representative Kloba's HB 2839 addresses the use of loot boxes in video games. The bill directs the Gambling Commission to conduct a study "on the utilization and effect of pay-to-win microtransactions and loot boxes on players of all ages." The study is due to the legislature by July 1, 2021. The bill also imposes microtransaction and loot box requirements and prohibitions on video game publishers that would go into effect on January 1, 2022.

HB 2839 was referred to the House Commerce and Gaming Committee but has not been scheduled for a hearing. It is unlikely this bill will receive a hearing and be passed out of Committee by the February 7th cutoff.

Law Enforcement Bills

10. HB 2317, Concerning animal welfare

Representative Orwall's HB 2317 makes various changes to the provisions of law concerning animal welfare, including, but not limited to, changes pertaining to the elements of and consequences for Animal Cruelty and related criminal offenses, and changes related to the regulation of dogs and abandoned animals.

The bill was heard in the House Public Safety Committee and SSB 2317 unanimously passed out of Committee on January 30, 2020. This bill could enhance laws applicable to animal fighting situations we encounter or work on with other law enforcement.

11. HB 2560, Concerning basic law enforcement training

Representative Maycumber's HB 2560 Requires the Criminal Justice Training Commission to provide a minimum of 15 Basic Law Enforcement Academy trainings per fiscal year beginning July 1, 2021, and a minimum of 19 trainings per fiscal year beginning July 1, 2024.

The bill was heard in House Public Safety and unanimously passed out of the Committee on January 30, 2020. The bill is now in House Appropriations.

Public Records Act and State Government Bills

12. HB 2577 and SB 6408, Concerning agency responsibilities to regulated businesses and professions

Representative Barkis' HB 2577 and Senator Wilson's SB 6408 require regulatory agencies to provide certain information to businesses and professions when conducting audits, inspections, and examinations. Staff had some concerns related to when a notice might be required to be given to a licensee during a criminal or civil investigation by our special agents. However, the the Governor's Office and prime sponsors worked with us on an amendment that addressed our concerns.

SSB 6408 was passed out of the Senate Financial Institutions, Economic Development & Trade Committee on January 30, 2020 and is in Senate Ways and Means. SHB 2577 is scheduled to be passed out of the House State Government & Tribal Relations Committee on February 5, 2020.

Legislative Work Session

13. House Commerce and Gaming Committee

Director Trujillo and I gave an agency and gambling industry overview to the Committee at its January 20, 2020 work session. I also gave a sports gambling presentation to the Committee at its January 27, 2020 work session.

14. Senate Labor and Commerce Committee

I gave a sports gambling presentation to the Committee at its January 21, 2020 work session. Representatives from GeoComply, Sportradar, and U.S. Integrity also gave presentations at this work session.

HOUSE BILL 2492

State of Washington 66th Legislature 2020 Regular Session
By Representatives Peterson and MacEwen

1 AN ACT Relating to increasing the dollar limit of pull-tabs; and
2 amending RCW 9.46.110.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 9.46.110 and 1999 c 221 s 1 are each amended to read
5 as follows:

6 (1) The legislative authority of any county, city-county, city,
7 or town, by local law and ordinance, and in accordance with the
8 provisions of this chapter and rules adopted under this chapter, may
9 provide for the taxing of any gambling activity authorized by this
10 chapter within its jurisdiction, the tax receipts to go to the
11 county, city-county, city, or town so taxing the activity. Any such
12 tax imposed by a county alone shall not apply to any gambling
13 activity within a city or town located in the county but the tax rate
14 established by a county, if any, shall constitute the tax rate
15 throughout the unincorporated areas of such county.

16 (2) The operation of punchboards and pull-tabs are subject to the
17 following conditions:

18 (a) Chances may only be sold to adults;

19 (b) The price of a single chance may not exceed ~~((one))~~ five
20 dollars;

1 (c) No punchboard or pull-tab license may award as a prize upon a
2 winning number or symbol being drawn the opportunity of taking a
3 chance upon any other punchboard or pull-tab;

4 (d) All prizes available to be won must be described on an
5 information flare. All merchandise prizes must be on display within
6 the immediate area of the premises in which any such punchboard or
7 pull-tab is located. Upon a winning number or symbol being drawn, a
8 merchandise prize must be immediately removed from the display and
9 awarded to the winner. All references to cash or merchandise prizes,
10 with a value over twenty dollars, must be removed immediately from
11 the information flare when won, or such omission shall be deemed a
12 fraud for the purposes of this chapter; and

13 (e) When any person wins money or merchandise from any punchboard
14 or pull-tab over an amount determined by the commission, every
15 licensee shall keep a public record of the award for at least ninety
16 days containing such information as the commission shall deem
17 necessary.

18 (3)(a) Taxation of bingo and raffles shall never be in an amount
19 greater than five percent of the gross receipts from a bingo game or
20 raffle less the amount awarded as cash or merchandise prizes.

21 (b) Taxation of amusement games shall only be in an amount
22 sufficient to pay the actual costs of enforcement of the provisions
23 of this chapter by the county, city or town law enforcement agency
24 and in no event shall such taxation exceed two percent of the gross
25 receipts from the amusement game less the amount awarded as prizes.

26 (c) No tax shall be imposed under the authority of this chapter
27 on bingo or amusement games when such activities or any combination
28 thereof are conducted by any bona fide charitable or nonprofit
29 organization as defined in this chapter, which organization has no
30 paid operating or management personnel and has gross receipts from
31 bingo or amusement games, or a combination thereof, not exceeding
32 five thousand dollars per year, less the amount awarded as cash or
33 merchandise prizes.

34 (d) No tax shall be imposed on the first ten thousand dollars of
35 gross receipts less the amount awarded as cash or merchandise prizes
36 from raffles conducted by any bona fide charitable or nonprofit
37 organization as defined in this chapter.

38 (e) Taxation of punchboards and pull-tabs for bona fide
39 charitable or nonprofit organizations is based on gross receipts from
40 the operation of the games less the amount awarded as cash or

1 merchandise prizes, and shall not exceed a rate of ten percent. At
2 the option of the county, city-county, city, or town, the taxation of
3 punchboards and pull-tabs for commercial stimulant operators may be
4 based on gross receipts from the operation of the games, and may not
5 exceed a rate of five percent, or may be based on gross receipts from
6 the operation of the games less the amount awarded as cash or
7 merchandise prizes, and may not exceed a rate of ten percent.

8 (f) Taxation of social card games may not exceed twenty percent
9 of the gross revenue from such games.

10 (4) Taxes imposed under this chapter become a lien upon personal
11 and real property used in the gambling activity in the same manner as
12 provided for under RCW 84.60.010. The lien shall attach on the date
13 the tax becomes due and shall relate back and have priority against
14 real and personal property to the same extent as ad valorem taxes.

--- END ---

SENATE BILL 6357

State of Washington

66th Legislature

2020 Regular Session

By Senators Conway and King

1 AN ACT Relating to increasing the dollar limit of pull-tabs; and
2 amending RCW 9.46.110.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 9.46.110 and 1999 c 221 s 1 are each amended to read
5 as follows:

6 (1) The legislative authority of any county, city-county, city,
7 or town, by local law and ordinance, and in accordance with the
8 provisions of this chapter and rules adopted under this chapter, may
9 provide for the taxing of any gambling activity authorized by this
10 chapter within its jurisdiction, the tax receipts to go to the
11 county, city-county, city, or town so taxing the activity. Any such
12 tax imposed by a county alone shall not apply to any gambling
13 activity within a city or town located in the county but the tax rate
14 established by a county, if any, shall constitute the tax rate
15 throughout the unincorporated areas of such county.

16 (2) The operation of punchboards and pull-tabs are subject to the
17 following conditions:

18 (a) Chances may only be sold to adults;

19 (b) The price of a single chance may not exceed ~~((one))~~ five
20 dollars;

1 (c) No punchboard or pull-tab license may award as a prize upon a
2 winning number or symbol being drawn the opportunity of taking a
3 chance upon any other punchboard or pull-tab;

4 (d) All prizes available to be won must be described on an
5 information flare. All merchandise prizes must be on display within
6 the immediate area of the premises in which any such punchboard or
7 pull-tab is located. Upon a winning number or symbol being drawn, a
8 merchandise prize must be immediately removed from the display and
9 awarded to the winner. All references to cash or merchandise prizes,
10 with a value over twenty dollars, must be removed immediately from
11 the information flare when won, or such omission shall be deemed a
12 fraud for the purposes of this chapter; and

13 (e) When any person wins money or merchandise from any punchboard
14 or pull-tab over an amount determined by the commission, every
15 licensee shall keep a public record of the award for at least ninety
16 days containing such information as the commission shall deem
17 necessary.

18 (3)(a) Taxation of bingo and raffles shall never be in an amount
19 greater than five percent of the gross receipts from a bingo game or
20 raffle less the amount awarded as cash or merchandise prizes.

21 (b) Taxation of amusement games shall only be in an amount
22 sufficient to pay the actual costs of enforcement of the provisions
23 of this chapter by the county, city or town law enforcement agency
24 and in no event shall such taxation exceed two percent of the gross
25 receipts from the amusement game less the amount awarded as prizes.

26 (c) No tax shall be imposed under the authority of this chapter
27 on bingo or amusement games when such activities or any combination
28 thereof are conducted by any bona fide charitable or nonprofit
29 organization as defined in this chapter, which organization has no
30 paid operating or management personnel and has gross receipts from
31 bingo or amusement games, or a combination thereof, not exceeding
32 five thousand dollars per year, less the amount awarded as cash or
33 merchandise prizes.

34 (d) No tax shall be imposed on the first ten thousand dollars of
35 gross receipts less the amount awarded as cash or merchandise prizes
36 from raffles conducted by any bona fide charitable or nonprofit
37 organization as defined in this chapter.

38 (e) Taxation of punchboards and pull-tabs for bona fide
39 charitable or nonprofit organizations is based on gross receipts from
40 the operation of the games less the amount awarded as cash or

1 merchandise prizes, and shall not exceed a rate of ten percent. At
2 the option of the county, city-county, city, or town, the taxation of
3 punchboards and pull-tabs for commercial stimulant operators may be
4 based on gross receipts from the operation of the games, and may not
5 exceed a rate of five percent, or may be based on gross receipts from
6 the operation of the games less the amount awarded as cash or
7 merchandise prizes, and may not exceed a rate of ten percent.

8 (f) Taxation of social card games may not exceed twenty percent
9 of the gross revenue from such games.

10 (4) Taxes imposed under this chapter become a lien upon personal
11 and real property used in the gambling activity in the same manner as
12 provided for under RCW 84.60.010. The lien shall attach on the date
13 the tax becomes due and shall relate back and have priority against
14 real and personal property to the same extent as ad valorem taxes.

--- END ---

HOUSE BILL 2720

State of Washington 66th Legislature 2020 Regular Session

By Representatives Hudgins, Vick, Jenkin, and Blake

Read first time 01/20/20. Referred to Committee on Civil Rights & Judiciary.

1 AN ACT Relating to the application of gambling loss recovery laws
2 to certain online games of chance; amending RCW 4.24.070; and
3 creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that the state has
6 made it a priority to grow clean, high-wage jobs by encouraging firms
7 engaged in video game development to invest and grow in the state.
8 The state has been successful in its efforts and an estimated twenty
9 percent of the global video game development industry is now based in
10 Washington state. However, recent court cases filed in federal
11 district courts in Washington have created economic uncertainty for
12 video game companies located in Washington state, or offering games
13 to players located in the state, by raising the possibility that the
14 legality surrounding these games will be decided differently than
15 similar issues raised and decided in other states, such as Illinois,
16 Maryland, and Ohio.

17 The legislature further finds that two video game companies based
18 in Washington are subject to recently filed class action lawsuits.
19 These lawsuits, if decided adversely to the game companies, pose a
20 substantial financial risk for video game development in this state.
21 The further possibility exists that companies based in Washington

1 will move their base of operations to other states, which would
2 remove thousands of jobs from the state and a currently incalculable,
3 but materially significant, amount of tax dollars.

4 Therefore, it is the intent of the legislature to remove this
5 economic uncertainty by clarifying that a player is not entitled to
6 recovery under RCW 4.24.070 unless the video game played provides a
7 mechanism for the withdrawal of money or property from the game.

8 **Sec. 2.** RCW 4.24.070 and 1957 c 7 s 2 are each amended to read
9 as follows:

10 (1) All persons losing money or anything of value at or on any
11 illegal gambling games shall have a cause of action to recover from
12 the dealer or player winning, or from the proprietor for whose
13 benefit such game was played or dealt, or such money or things of
14 value won, the amount of the money or the value of the thing so lost.

15 (2) For purposes of this section, "illegal gambling games" does
16 not include online games of chance when played solely for
17 entertainment purposes with virtual items if such virtual items may
18 be used only for gameplay and may not be, per the terms of service of
19 the game, transferred, exchanged, or redeemed for money or property.

--- END ---

SENATE BILL 6568

State of Washington 66th Legislature 2020 Regular Session
By Senators Mullet and Braun

1 AN ACT Relating to the application of gambling loss recovery laws
2 to certain online games of chance; amending RCW 4.24.070; and
3 creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that the state has
6 made it a priority to grow clean, high-wage jobs by encouraging firms
7 engaged in mobile game development to invest and grow in the state.
8 The state has been successful in its efforts. However, recent court
9 cases filed in federal district court in Washington have created
10 economic uncertainty for mobile game companies located in Washington
11 state, or offering games to players located in the state, by raising
12 the possibility that the legality surrounding these games will be
13 decided differently than similar issues raised and decided in other
14 states, such as Illinois, Maryland, and Ohio.

15 The legislature further finds that, of the recent lawsuits filed,
16 two mobile game companies based in Washington are subject to these
17 class action lawsuits. These lawsuits, if decided adversely to the
18 game companies, pose a substantial financial risk for mobile game
19 development in the state. The further possibility exists that
20 companies based in Washington will move their base of operations to

1 other states, which would remove thousands of jobs from the state and
2 currently incalculable, but materially significant, tax dollars.

3 The legislature further finds that if any of these lawsuits
4 result in adverse verdicts, the mobile game companies should be held
5 harmless. The companies relied upon written guidance from a state
6 regulatory body in developing their mobile games to ensure that no
7 player would be able to win real money or prizes.

8 Therefore, it is the intent of the legislature to remove this
9 economic uncertainty by clarifying that a player is not entitled to
10 recovery under RCW 4.24.070, unless the mobile game played provides a
11 mechanism for the withdrawal of money or property from the game.

12 **Sec. 2.** RCW 4.24.070 and 1957 c 7 s 2 are each amended to read
13 as follows:

14 (1) All persons losing money or anything of value at or on any
15 illegal gambling games shall have a cause of action to recover from
16 the dealer or player winning, or from the proprietor for whose
17 benefit such game was played or dealt, or such money or things of
18 value won, the amount of the money or the value of the thing so lost.

19 (2) For purposes of this section, "illegal gambling games" does
20 not include online games of chance when played solely for
21 entertainment purposes with virtual items if such virtual items may
22 be used only for gameplay and may not be, per the terms of service of
23 the game, transferred, exchanged, or redeemed for money or property.

--- END ---

HOUSE BILL 2478

State of Washington 66th Legislature 2020 Regular Session
By Representative Vick

1 AN ACT Relating to authorizing sports wagering at tribal casinos,
2 card rooms, and racetracks; amending RCW 9.46.0335, 9.46.070,
3 9.46.130, 9.46.153, 9.46.155, 9.46.190, 9.46.210, 9.46.220, 9.46.240,
4 67.04.010, 67.04.020, 67.04.030, 67.04.040, 67.04.050, 67.04.060,
5 67.04.070, and 67.04.080; adding a new section to chapter 82.04 RCW;
6 adding a new section to chapter 67.04 RCW; adding a new chapter to
7 Title 9 RCW; recodifying RCW 67.24.010; repealing RCW 67.24.020; and
8 prescribing penalties.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

10 NEW SECTION. **Sec. 1.** This act may be known and cited as the
11 sports wagering act.

12 NEW SECTION. **Sec. 2.** The definitions in this section apply
13 throughout this chapter unless the context clearly requires
14 otherwise.

15 (1) "Card room" means a business licensed to conduct social card
16 games pursuant to RCW 9.46.0325.

17 (2) "Collegiate sport or athletic event" means a sport or
18 athletic event offered or sponsored by, or played in connection with,
19 a public or private institution that offers educational services
20 beyond the secondary level.

1 (3) "Commission" means the Washington state gambling commission
2 created in RCW 9.46.040.

3 (4) "Fantasy sports activity" means any fantasy or simulated
4 activity or contest with an entry fee in which a participant owns or
5 manages an imaginary team and competes against other participants or
6 a target score for a predetermined prize with the outcome reflecting
7 the relative skill of the participants and determined by statistics
8 generated based on performance by actual individuals participating in
9 actual competitions or athletic events, provided that the outcome
10 must not be based solely on the performance of an individual athlete,
11 or on the score, point spread, or any performance of any single real
12 team or combination of real teams. "Fantasy sports activity" does not
13 include any activity in which no entry fee is paid to the fantasy
14 sports operator or in which a prize is not collected, managed, or
15 awarded by the operator.

16 (5) "Internet sports pool operator" means an entity that is
17 licensed as a casino service industry enterprise and that holds a
18 license issued by the commission to operate an online sports pool.

19 (6) "Online sports pool" means a sports wagering operation in
20 which wagers on sports events are made through computers or mobile or
21 interactive devices and accepted at a sports wagering lounge through
22 an online gaming system that is operating pursuant to a sports
23 wagering license issued by the commission.

24 (7) "Operator" means a tribal casino or sport wagering licensee
25 that has elected to operate a sports pool, either independently or
26 jointly, and any entity with whom a tribal casino or sport wagering
27 licensee contracts to operate a sports pool or online sports pool,
28 including an internet sports pool operator, on its behalf.

29 (8) "Professional sport or athletic event" means an event at
30 which two or more persons participate in a sport or athletic event
31 and receive compensation in excess of actual expenses for their
32 participation in such event.

33 (9)(a) "Prohibited sports event" means any collegiate sport or
34 athletic event that takes place in this state or a sport or athletic
35 event in which any Washington state college team participates
36 regardless of where the event takes place. "Prohibited sports event"
37 includes all high school sports events, electronic sports, and
38 competitive video games, but does not include international sports
39 events in which persons under age eighteen make up a minority of the
40 participants.

1 (b) "Prohibited sports event" does not include the other games of
2 a collegiate sport or athletic tournament in which a Washington state
3 college team participates, nor does it include any games of a
4 collegiate tournament that occurs outside Washington state, even
5 though some of the individual games or events are held in Washington.

6 (10) "Racetrack" means a business licensed to conduct horse race
7 meets under a license issued by the Washington horse racing
8 commission pursuant to chapter 67.16 RCW.

9 (11) "Sports event" means any professional sport or athletic
10 event, any Olympic or international sports competition event, or any
11 collegiate sport or athletic event, or any portion thereof,
12 including, but not limited to, the individual performance statistics
13 of athletes in a sports event or combination of sports events.
14 "Sports event" does not include a prohibited sports event or a
15 fantasy sports activity.

16 (12) "Sports pool" means the business of accepting wagers on any
17 sports event by any system or method of wagering, including, but not
18 limited to, single-game bets, teaser bets, parlays, over/under, money
19 line, pools, exchange wagering, in-game wagering, in-play bets,
20 proposition bets, or straight bets.

21 (13) "Sports wagering lounge" means an area wherein an authorized
22 sports pool is operated at a tribal casino, card room, or racetrack
23 complex.

24 (14) "Tribal casino" means a federally recognized Indian tribe or
25 an entity owned by a federally recognized Indian tribe authorized to
26 conduct sports wagering through sports pools or online sports pools
27 on federal Indian lands in accordance with the terms of a class III
28 gaming compact entered into by a federally recognized Indian tribe
29 and the state pursuant to the Indian gaming regulatory act, 25 U.S.C.
30 Sec. 2701 et seq., and RCW 9.46.360 that expressly addresses how
31 sports wagering will be conducted, operated, and regulated consistent
32 with this chapter.

33 NEW SECTION. **Sec. 3.** (1) The legislature authorizes sport
34 wagering through sports pools and online sport pools by a tribal
35 casino pursuant to a compact and by a card room or racetrack as
36 provided in this chapter.

37 (2) Sports wagering conducted pursuant to the provisions of this
38 chapter does not constitute bookmaking and is not subject to civil or
39 criminal penalties.

1 (3) The commission has the power to: (a) Negotiate compacts with
2 tribes authorizing sports wagering for tribal casinos; and (b) issue
3 all sports wagering licenses and renewals to card rooms and
4 racetracks. The commission must hear and promptly decide all
5 applications for a sports wagering license.

6 (4) The license to operate a sports pool is in addition to any
7 other license required to be issued pursuant to chapters 9.46 and
8 67.16 RCW.

9 (5) A tribal casino and a sports wagering licensee may operate a
10 sports pool in accordance with the provisions of this chapter.

11 (6) A tribal casino and a sports wagering licensee may enter into
12 an agreement to jointly operate a sports pool at a racetrack in
13 accordance with the provisions of this chapter.

14 (7) A tribal casino and a sports wagering licensee may conduct an
15 online sports pool or may authorize an internet sports pool operator
16 licensed as a casino service industry enterprise to operate an online
17 sports pool on its behalf, provided the terms of the agreement are
18 approved by the commission.

19 (8) The powers and duties of the commission specified in chapter
20 9.46 RCW and other provisions with respect to tribal casinos and
21 licensees apply to the extent not inconsistent with the provisions of
22 this chapter.

23 (9) The commission has the authority to charge a card room and a
24 racetrack a fee for the issuance of a sports wagering license in an
25 amount of five hundred thousand dollars for the initial issuance and,
26 in the case of a renewal, a reasonable fee adopted by rule that is
27 based upon the expense associated with renewal, enforcement, and
28 programs for the prevention and treatment of problem gambling.

29 (10) No sports wagering license may be issued by the commission
30 to any person or entity unless it has established its financial
31 stability, integrity, responsibility, good character, and honesty.

32 (11) No license to operate a sports pool may be issued to any
33 person or entity that is disqualified for a license under chapter
34 9.46 or 67.16 RCW.

35 (12) A licensee must submit to the commission, no later than five
36 years after the date of the issuance of a license and every five
37 years thereafter, or within such lesser periods as the commission may
38 direct, documentation or information as the commission may, by rule,
39 require to demonstrate to the satisfaction of the commission that the
40 licensee continues to meet the requirements of this chapter.

1 (13) The commission, following consultation with the sports
2 wagering licensees, must annually provide a report to the governor
3 and the appropriate committees of the legislature on the impact of
4 sports wagering, including internet wagering on sports events, on
5 problem gamblers and gambling addiction in the state. The report must
6 be prepared by a private organization or entity with expertise in
7 serving the needs of persons with gambling addictions, as selected by
8 the commission. The report must be distributed by the commission. Any
9 costs associated with the preparation and distribution of the report
10 will be borne by the licensees who have been authorized by the
11 commission to conduct internet gaming, and the commission is
12 authorized to assess a fee against the licensees for these purposes.
13 The commission may also periodically report to the governor and the
14 appropriate committees of the legislature on the effectiveness of the
15 statutory and regulatory controls in place to ensure the integrity of
16 gaming operations through the internet.

17 NEW SECTION. **Sec. 4.** (1) Each tribal casino and sports wagering
18 licensee may provide no more than one branded sports wagering web
19 site, which may have an accompanying mobile application bearing the
20 same brand as the web site for an online sports pool.

21 (2) No online sports pool may be opened to the public, and no
22 sports wagering, except for test purposes, may be conducted until an
23 internet sports pool operator receives a sport wagering license or
24 pursuant to the terms of a compact.

25 (3) Tribal casinos, sports wagering licensees, and operators may
26 provide promotional credits, incentives, bonuses, complimentaries, or
27 similar benefits designed to induce sports betters to wager.

28 (4) The server or other equipment used by a tribal casino or a
29 sports wagering licensee to accept wagers at a sports pool or online
30 sports pool must be located in that tribal casino, card room, or
31 racetrack complex.

32 (5) A sports pool must be operated in a sports wagering lounge
33 located at the tribal casino, card room, or racetrack complex. A
34 sports wagering lounge may be located at a casino simulcasting
35 facility. The lounge must conform to all requirements concerning
36 square footage, design, equipment, security measures, and related
37 matters which the commission may prescribe. The space required for
38 the establishment of a lounge must not reduce the space authorized
39 for other gambling activities pursuant to other laws or rules.

1 (6) No tribal casino or sport wagering licensee may operate a
2 sports pool or accept wagers via an online sports pool unless a
3 sports wagering lounge is established and has commenced operation in
4 its complex; provided, however, that a tribal casino or a sports
5 wagering licensee may petition the commission to commence operation
6 of the sports pool at either a temporary facility or an online sports
7 pool, or both, during the pendency of construction of a sports
8 wagering lounge in its complex. The temporary facilities may include,
9 at the discretion of the commission, the utilization of designated
10 windows at the current casino cage or racetrack betting window for
11 purposes of placing sports betting wagers and self-service wagering
12 machines located at the complex.

13 (7) The operator must establish or display the odds at which
14 wagers may be placed on sports events.

15 (8) An operator may accept wagers on sports events only: (a) From
16 persons physically present in the sports wagering lounge; (b) through
17 self-service wagering machines located in its complex as authorized
18 by the commission; or (c) through an online sports pool.

19 (9) A person placing a wager on a sports event must be at least
20 eighteen years of age.

21 NEW SECTION. **Sec. 5.** (1) No sports pool or online sports pool
22 may be offered or made available for wagering to the public by any
23 entity other than a tribal casino or a sports wagering licensee
24 operating such pool on behalf of a licensee, or an internet sports
25 pool operator on behalf of a tribal casino or a sports wagering
26 licensee.

27 (2) Any person who offers a sports pool or an online sports pool
28 without a license or pursuant to a compact is guilty of a class B
29 felony and is subject to a fine of not more than twenty-five thousand
30 dollars, and, in the case of a person other than a natural person, a
31 fine of not more than one hundred thousand dollars.

32 NEW SECTION. **Sec. 6.** (1)(a) Any person who: (i) Is an athlete,
33 coach, referee, or director of a sports governing body or any of its
34 member team; (ii) is a sports governing body or any of its member
35 teams; (iii) is a player or a referee personnel member in or on any
36 sports event overseen by that person's sports governing body based on
37 publicly available information; (iv) holds a position of authority or
38 influence sufficient to exert influence over the participants in a

1 sporting contest, including, but not limited to, coaches, managers,
2 handlers, athletic trainers, or horse trainers; (v) has access to
3 certain types of exclusive information on any sports event overseen
4 by that person's sports governing body based on publicly available
5 information; or (vi) is identified by any lists provided by the
6 sports governing body to the commission may not have any ownership
7 interest in, control of, or otherwise be employed by, an operator, a
8 sports wagering licensee, or a facility in which a sports wagering
9 lounge is located, or place a wager on a sports event that is
10 overseen by that person's sports governing body based on publicly
11 available information. Any person who violates this subsection is
12 guilty of a misdemeanor and must, upon conviction, be punished by
13 either imprisonment in the county jail for a maximum term fixed by
14 the court of not more than ninety days or a fine in an amount fixed
15 by the court of not more than one thousand dollars, or both.

16 (b) Any employee of a sports governing body or its member teams
17 who is not prohibited from wagering on a sports event must provide
18 notice to the commission prior to placing a wager on a sports event.

19 (c) The direct or indirect legal or beneficial owner of ten
20 percent or more of a sports governing body or any of its member teams
21 may not place or accept any wager on a sports event in which any
22 member team of that sports governing body participates.

23 (2) The prohibition set forth in subsection (1) of this section
24 does not apply to any person who is a direct or indirect owner of a
25 specific sports governing body member team, and (a) the person has
26 less than ten percent direct or indirect ownership interest in a
27 casino or racetrack, or (b) the shares of such person are registered
28 pursuant to section 12 of the securities exchange act of 1934 (15
29 U.S.C. Sec. 781), as amended, and the value of the ownership of such
30 team represents less than one percent of the person's total
31 enterprise value.

32 (3) An operator must adopt procedures to prevent persons who are
33 prohibited from placing sports wagers from wagering on sports events.

34 (4) An operator may not accept wagers from any person whose
35 identity is known to the operator and:

36 (a) Whose name appears on any self-exclusion programs list
37 provided under RCW 9.46.071;

38 (b) Who is the operator, director, officer, owner, or employee of
39 the operator or any relative thereof living in the same household as
40 the operator;

1 (c) Who has access to nonpublic confidential information held by
2 the operator; or

3 (d) Who is an agent or proxy for any other person.

4 (5) An operator must adopt procedures to obtain personally
5 identifiable information from any individual who places any single
6 wager in an amount of ten thousand dollars or greater on a sports
7 event while physically present in a tribal casino, card room, or
8 racetrack complex.

9 NEW SECTION. **Sec. 7.** The tribal casino or sports wagering
10 licensee may contract with an entity to conduct the operation in
11 accordance with the rules adopted by the commission. That entity must
12 obtain a license as a casino service industry enterprise, in
13 accordance with the rules adopted by the commission, prior to the
14 execution of any contract.

15 NEW SECTION. **Sec. 8.** (1) An operator must promptly report to
16 the commission:

17 (a) (i) Any criminal or disciplinary proceedings commenced against
18 the operator or its employees in connection with the operations of
19 the sports pool or online sports pool; (ii) any abnormal betting
20 activity or patterns that may indicate a concern about the integrity
21 of a sports event or events; (iii) any other conduct with the
22 potential to corrupt a betting outcome of a sports event for purposes
23 of financial gain, including, but not limited to, match fixing; and

24 (b) Suspicious or illegal wagering activities, including the use
25 of funds derived from illegal activity, wagers to conceal or launder
26 funds derived from illegal activity, the use of agents to place
27 wagers, or the use of false identification.

28 (2) The commission is authorized to share any information under
29 this section with any law enforcement entity, team, sports governing
30 body, or regulatory agency the commission deems appropriate.

31 NEW SECTION. **Sec. 9.** An operator must maintain records of
32 sports wagering operations as specified by the commission.

33 NEW SECTION. **Sec. 10.** (1) A tribal casino or a sports wagering
34 licensee may, in addition to having a sports wagering lounge, conduct
35 wagering on authorized sports events through one or more kiosks or
36 self-service wagering stations located within its complex. The self-

1 service wagering stations may offer games authorized by the
2 commission.

3 (2) All wagers on sports events authorized under this chapter
4 must be initiated, received, and otherwise made within this state
5 unless otherwise determined by the commission in accordance with
6 applicable federal and state laws. Consistent with the intent of the
7 United States congress as articulated in the unlawful internet
8 gambling enforcement act of 2006, 31 U.S.C. Sec. 5361 et seq., the
9 intermediate routing of electronic data relating to a lawful
10 intrastate wager authorized under this chapter does not determine the
11 location or locations in which such wager is initiated, received, or
12 otherwise made.

13 NEW SECTION. **Sec. 11.** (1) Applicants for, and holders of, a
14 sports wagering license must be required to disclose the identity of
15 the following: (a) Each board-appointed officer of the applicant or
16 holder; (b) each director of the applicant or holder; (c) each person
17 who directly holds any voting or controlling interest of five percent
18 or more of the securities issued by such applicant or holder; (d)
19 each person who directly holds any nonvoting or passive ownership
20 interest of twenty-five percent or more of the securities issued by
21 such applicant or holder; and (e) each holding or intermediary
22 company of an applicant for, or holder of, an operator.

23 (2) As to each holding, intermediary, and subsidiary company or
24 entity of an applicant for, or holder of, a sports wagering license,
25 applicants and holders are required to establish and maintain the
26 qualifications of the following: (a) Each board-appointed officer of
27 the entity; (b) each director of the company or entity; (c) each
28 person who directly holds any voting or controlling interest of five
29 percent or more of the securities issued by such applicant or holder;
30 and (d) each person who directly holds any nonvoting or passive
31 ownership interest of twenty-five percent or more in the holding or
32 intermediary company.

33 NEW SECTION. **Sec. 12.** (1) All persons employed directly in
34 wagering-related activities conducted in a sports wagering lounge and
35 an online sports pool must be licensed as a sports wagering key
36 employee or registered as a sports wagering employee.

37 (2) All other employees who are working in the sports wagering
38 lounge may be required to be registered by the commission.

1 (3) Each operator must designate one or more sports wagering key
2 employees who are responsible for the operation of the sports pool.
3 At least one sports wagering key employee must be on the premises
4 whenever sports wagering is conducted.

5 NEW SECTION. **Sec. 13.** (1) Except as otherwise provided by this
6 chapter, the commission has the authority to regulate sports pools,
7 online sports pools, and the conduct of sports wagering under this
8 chapter.

9 (2) No tribal casino, card room, or racetrack may be authorized
10 to operate a sports pool or online sports pool unless it has
11 produced, to the satisfaction of the commission, information,
12 documentation, and assurances concerning its financial background and
13 resources, including cash reserves, that are sufficient to
14 demonstrate that it has the financial stability, integrity, and
15 responsibility to operate a sports pool or online sports pool.

16 (3) In developing and adopting rules applicable to sports
17 wagering, the commission may examine the regulations implemented in
18 other states where sports wagering is conducted and may, as far as
19 practicable, adopt a similar regulatory framework. The commission
20 will adopt rules necessary to carry out the provisions of this
21 chapter, including regulations governing the:

22 (a) Amount of cash reserves to be maintained by operators to
23 cover winning wagers;

24 (b) Acceptance of wagers on a series of sports events;

25 (c) Maximum wagers which may be accepted by an operator from any
26 one patron on any one sports event;

27 (d) Type of wagering tickets which may be used;

28 (e) Method of issuing tickets;

29 (f) Method of accounting to be used by operators;

30 (g) Types of records which must be kept;

31 (h) Use of credit and checks by patrons;

32 (i) Type of system for wagering;

33 (j) Protections for a person placing a wager; and

34 (k) Display of the words "If you or someone you know has a
35 gambling problem and wants help, call 1-800 GAMBLER," or some
36 comparable language approved by the commission, which language must
37 include the words "gambling problem" and "call 1-800 GAMBLER" in all
38 print, billboard, sign, online, or broadcast advertisements of a
39 sports pool, online sports pool, and sports wagering lounge.

1 NEW SECTION. **Sec. 14.** (1) Each operator must adopt
2 comprehensive house rules governing sports wagering transactions with
3 its patrons that must be approved by the commission.

4 (2) The rules must specify the amounts to be paid on winning
5 wagers and the effect of schedule changes.

6 (3) The house rules, together with any other information the
7 commission deems appropriate, must be conspicuously displayed in the
8 sports wagering lounge, posted on the operator's internet web site,
9 and included in the terms and conditions of the account wagering
10 system, and copies must be made readily available to patrons.

11 NEW SECTION. **Sec. 15.** Whenever a tribal casino and a sports
12 wagering licensee or two licensees enter into an agreement to jointly
13 establish a sports wagering lounge, and to operate and conduct sports
14 wagering under this chapter, the agreement must specify the
15 distribution of revenues from the joint sports wagering operation
16 among the parties to the agreement.

17 NEW SECTION. **Sec. 16.** (1) There is levied, and collected from
18 every tribal casino and sports wagering licensee in this state, a tax
19 in the amount of ten percent of the gaming revenue.

20 (2) Gaming revenue from sports wagering must be sourced to the
21 location where the bet is placed.

22 (3) Tribal casinos and sports wagering licensees subject to the
23 tax imposed by this chapter must report to the department of revenue
24 the amount of gaming revenue earned by location, identifying the
25 amount of gaming revenue received from wagers or bets placed on
26 tribal land, broken down by tribe, and the amount of gaming revenue
27 received in Washington outside tribal land. Taxes paid on gaming
28 revenue received from wagers or bets placed on tribal lands will be
29 remitted to the tribe on whose lands the bet was placed.

30 (4) The tax imposed by this chapter must be paid to, and
31 administered by, the department of revenue. The administration of the
32 tax is governed by the provisions of chapter 82.32 RCW.

33 (5) For purposes of this section, "gaming revenue" means the
34 total amount wagered less winnings paid out.

35 NEW SECTION. **Sec. 17.** If a patron does not claim a winning
36 sports pool wager within one year from the time of the event, the
37 obligation of the operator to pay the winnings expires and the

1 operator will retain fifty percent of the winnings and remit the
2 remaining fifty percent of the winnings to the problem gambling
3 account created in RCW 41.05.751. If the sports pool is jointly
4 operated, the operator must apportion the fifty percent of the
5 winnings pursuant to the terms of the parties' operation agreement.

6 NEW SECTION. **Sec. 18.** Wagers may be accepted or pooled with
7 wagers from persons who are not physically present in this state if
8 the commission determines that such wagering is not inconsistent with
9 federal law or the law of the jurisdiction, including any foreign
10 nation, in which any such person is located, or such wagering is
11 conducted pursuant to a reciprocal agreement to which the state is a
12 party that is not inconsistent with federal law.

13 NEW SECTION. **Sec. 19.** If any provision of this act or its
14 application to any person or circumstance is held invalid, the
15 remainder of the act or the application of the provision to other
16 persons or circumstances is not affected.

17 NEW SECTION. **Sec. 20.** A new section is added to chapter 82.04
18 RCW to read as follows:

19 This chapter does not apply to any person in respect to a
20 business activity with respect to which tax liability is specifically
21 imposed under chapter 9.--- RCW (the new chapter created in section
22 21 of this act).

23 NEW SECTION. **Sec. 21.** Sections 1 through 19 and 39 of this act
24 constitute a new chapter in Title 9 RCW.

25 **Sec. 22.** RCW 9.46.0335 and 1987 c 4 s 31 are each amended to
26 read as follows:

27 (1) The legislature ((hereby)) authorizes any person,
28 association, or organization to ~~((conduct sports pools without a
29 license to do so from the commission but only when the outcome of
30 which is dependent upon the score, or scores, of a certain athletic
31 contest and which is conducted only))~~ conduct sports boards in the
32 following manner:

33 ~~((1) A board or piece of paper is divided into one hundred equal
34 squares, each of which constitutes a chance to win in the sports pool~~

1 ~~and each of which is offered directly to prospective contestants at~~
2 ~~one dollar or less;~~

3 ~~(2))~~ (a) The purchaser of each chance or square signs his or her
4 name on the face of each square or chance he or she purchases; ~~(and~~

5 ~~(3))~~ (b) At some time not later than prior to the start of the
6 subject athletic contest, the ~~((pool))~~ sports board is closed and no
7 further chances in the ~~((pool))~~ sports board are sold;

8 ~~((4))~~ (c) After the ~~((pool))~~ sports board is closed, a
9 prospective score is assigned by random drawing to each square;

10 ~~((5))~~ (d) All money paid by entrants to enter the ~~((pool))~~
11 sports board less taxes is paid out as the prize or prizes to those
12 persons holding squares assigned the winning score or scores from the
13 subject athletic contest;

14 ~~((6))~~ (e) The sports ~~((pool))~~ board is available for inspection
15 by any person purchasing a chance thereon, the commission, or by any
16 law enforcement agency upon demand at all times prior to the payment
17 of the prize;

18 ~~((7))~~ (f) The person or organization conducting the ~~((pool))~~
19 sports board is conducting no ~~((either))~~ more than two sports ~~((pool))~~
20 boards on the same athletic event; and

21 ~~((8) The sports pool conforms)~~ (g) Sports boards must conform
22 to any rules and regulations of the commission ~~((applicable~~
23 ~~thereto))~~, including maximum wager limits set by the commission.

24 (2) For purposes of this section, "sports board" means a board or
25 piece of paper that is divided into one hundred equal squares, each
26 of which constitutes a chance to win in the sports pool and each of
27 which is offered directly to prospective contestants.

28 **Sec. 23.** RCW 9.46.070 and 2012 c 116 s 1 are each amended to
29 read as follows:

30 The commission shall have the following powers and duties:

31 (1) To authorize and issue licenses for a period not to exceed
32 one year to bona fide charitable or nonprofit organizations approved
33 by the commission meeting the requirements of this chapter and any
34 rules and regulations adopted pursuant thereto permitting said
35 organizations to conduct bingo games, raffles, amusement games, and
36 social card games, to utilize punchboards and pull-tabs in accordance
37 with the provisions of this chapter and any rules and regulations
38 adopted pursuant thereto, and to revoke or suspend said licenses for
39 violation of any provisions of this chapter or any rules and

1 regulations adopted pursuant thereto: PROVIDED, That the commission
2 shall not deny a license to an otherwise qualified applicant in an
3 effort to limit the number of licenses to be issued: PROVIDED
4 FURTHER, That the commission or director shall not issue, deny,
5 suspend, or revoke any license because of considerations of race,
6 sex, creed, color, or national origin: AND PROVIDED FURTHER, That the
7 commission may authorize the director to temporarily issue or suspend
8 licenses subject to final action by the commission;

9 (2) To authorize and issue licenses for a period not to exceed
10 one year to any person, association, or organization operating a
11 business primarily engaged in the selling of items of food or drink
12 for consumption on the premises, approved by the commission meeting
13 the requirements of this chapter and any rules and regulations
14 adopted pursuant thereto permitting said person, association, or
15 organization to utilize punchboards and pull-tabs (~~and~~), to conduct
16 social card games as a commercial stimulant in accordance with the
17 provisions of this chapter and any rules and regulations adopted
18 pursuant thereto, and to revoke or suspend said licenses for
19 violation of any provisions of this chapter and any rules and
20 regulations adopted pursuant thereto: PROVIDED, That the commission
21 shall not deny a license to an otherwise qualified applicant in an
22 effort to limit the number of licenses to be issued: PROVIDED
23 FURTHER, That the commission may authorize the director to
24 temporarily issue or suspend licenses subject to final action by the
25 commission;

26 (3) ~~To authorize and issue licenses ((for a period not to exceed~~
27 ~~one year to any person, association, or organization approved by the~~
28 ~~commission meeting the requirements of this chapter and meeting the~~
29 ~~requirements of any rules and regulations adopted by the commission~~
30 ~~pursuant to this chapter as now or hereafter amended, permitting said~~
31 ~~person, association, or organization to conduct or operate amusement~~
32 ~~games in such manner and at such locations as the commission may~~
33 ~~determine. The commission may authorize the director to temporarily~~
34 ~~issue or suspend licenses subject to final action by the commission))~~
35 as provided in chapter 9.--- RCW (the new chapter created in section
36 21 of this act);

37 (4) To require any license holder to report suspicious activities
38 or irregular betting activities regarding type, scope, and manner, as
39 directed by the commission, and submit such reports as the commission
40 may deem necessary;

1 (5) To authorize, require, and issue, for a period not to exceed
2 one year, such licenses as the commission may by rule provide((7)) to
3 any person, association, or organization to engage in the
4 manufacturing, selling, distributing, or ((otherwise)) supplying ((or
5 in the manufacturing of devices for use within this state)) of
6 devices, equipment software, hardware, or any gambling-related
7 services for those activities authorized by this chapter. The
8 commission may authorize the director to temporarily issue or suspend
9 licenses subject to final action by the commission;

10 ((45)) (6) To establish a schedule of annual license fees for
11 carrying on specific gambling activities upon the premises, and for
12 such other activities as may be licensed by the commission, which
13 fees shall provide to the commission not less than an amount of money
14 adequate to cover all costs incurred by the commission relative to
15 licensing under this chapter and the enforcement by the commission of
16 the provisions of this chapter and rules and regulations adopted
17 pursuant thereto: PROVIDED, That all licensing fees shall be
18 submitted with an application therefor and such portion of said fee
19 as the commission may determine, based upon its cost of processing
20 and investigation, shall be retained by the commission upon the
21 withdrawal or denial of any such license application as its
22 reasonable expense for processing the application and investigation
23 into the granting thereof: PROVIDED FURTHER, That if in a particular
24 case the basic license fee established by the commission for a
25 particular class of license is less than the commission's actual
26 expenses to investigate that particular application, the commission
27 may at any time charge to that applicant such additional fees as are
28 necessary to pay the commission for those costs. The commission may
29 decline to proceed with its investigation and no license shall be
30 issued until the commission has been fully paid therefor by the
31 applicant: AND PROVIDED FURTHER, That the commission may establish
32 fees for the furnishing by it to licensees of identification stamps
33 to be affixed to such devices and equipment as required by the
34 commission and for such other special services or programs required
35 or offered by the commission, the amount of each of these fees to be
36 not less than is adequate to offset the cost to the commission of the
37 stamps and of administering their dispersal to licensees or the cost
38 of administering such other special services, requirements, or
39 programs;

1 ~~((+6))~~ (7) To prescribe the manner and method of payment of
2 taxes, fees, and penalties to be paid to, or collected by, the
3 commission;

4 ~~((+7))~~ (8) To require that applications for all licenses contain
5 such information as may be required by the commission: PROVIDED, That
6 all persons (a) having a managerial or ownership interest in any
7 gambling activity, or the building in which any gambling activity
8 occurs, or the equipment to be used for any gambling activity, ~~((or))~~
9 (b) participating as an employee in the operation of any gambling
10 activity, or (c) participating as an employee in the operation or
11 management of providing gambling-related services for sports gambling
12 as provided in this chapter and chapter 9.--- RCW (the new chapter
13 created in section 21 of this act) shall be listed on the application
14 for the license, and the applicant shall certify on the application,
15 under oath, that the persons named on the application are all of the
16 persons known to have an interest in any gambling activity, building,
17 or equipment by the person making such application: PROVIDED FURTHER,
18 That the commission shall require fingerprinting and national
19 criminal history background checks on any persons seeking licenses,
20 certifications, or permits under this chapter or of any person
21 holding an interest in any gambling activity, building, or equipment
22 to be used therefor, or of any person participating as an employee in
23 the operation of any gambling activity. All national criminal history
24 background checks shall be conducted using fingerprints submitted to
25 the ~~((United States department of justice))~~ federal bureau of
26 investigation. The commission must establish rules to delineate which
27 persons named on the application are subject to national criminal
28 history background checks. In identifying these persons, the
29 commission must take into consideration the nature, character, size,
30 and scope of the gambling activities requested by the persons making
31 such applications;

32 ~~((+8))~~ (9) To require that any license holder maintain records
33 as directed by the commission and submit such reports as the
34 commission may deem necessary;

35 ~~((+9))~~ (10) To require that all income from bingo games,
36 raffles, and amusement games be recorded and reported as established
37 by rule or regulation of the commission to the extent deemed
38 necessary by considering the scope and character of the gambling
39 activity in such a manner that will disclose gross income from any
40 gambling activity, amounts received from each player, the nature and

1 value of prizes, and the fact of distributions of such prizes to the
2 winners thereof;

3 ~~((+10+))~~ (11) To regulate and establish maximum limitations on
4 income derived from bingo. In establishing limitations pursuant to
5 this subsection, the commission shall take into account (a) the
6 nature, character, and scope of the activities of the licensee; (b)
7 the source of all other income of the licensee; and (c) the
8 percentage or extent to which income derived from bingo is used for
9 charitable, as distinguished from nonprofit, purposes. However, the
10 commission's powers and duties granted by this subsection are
11 discretionary and not mandatory;

12 ~~((+11+))~~ (12) To regulate and establish the type ~~((and))~~, scope
13 of, and manner of conducting the gambling activities authorized by
14 this chapter, including, but not limited to, the extent of wager,
15 money, or other thing of value which may be wagered ~~((or))~~,
16 contributed, or won by a player in any such activities;

17 ~~((+12+))~~ (13) To regulate the collection of, and the accounting
18 for, the fee which may be imposed by an organization, corporation, or
19 person licensed to conduct a social card game on a person desiring to
20 become a player in a social card game in accordance with RCW
21 9.46.0282;

22 ~~((+13+))~~ (14) To cooperate with, and secure the cooperation of,
23 county, city, and other local or state agencies in investigating any
24 matter within the scope of its duties and responsibilities;

25 ~~((+14+))~~ (15) In accordance with RCW 9.46.080, to adopt such
26 rules and regulations as are deemed necessary to carry out the
27 purposes and provisions of this chapter. All rules and regulations
28 shall be adopted pursuant to the administrative procedure act,
29 chapter 34.05 RCW;

30 ~~((+15+))~~ (16) To set forth for the perusal of counties, city-
31 counties, or cities and towns ~~((7))~~ model ordinances by which any
32 legislative authority thereof may enter into the taxing of any
33 gambling activity authorized by this chapter;

34 ~~((+16+))~~ (17)(a) To establish and regulate a maximum limit on
35 salaries or wages which may be paid to persons employed in connection
36 with activities conducted by bona fide charitable or nonprofit
37 organizations and authorized by this chapter, where payment of such
38 persons is allowed, and to regulate and establish maximum limits for
39 other expenses in connection with such authorized activities,
40 including, but not limited to, rent or lease payments. However, the

1 commissioner's powers and duties granted by this subsection are
2 discretionary and not mandatory.

3 (b) In establishing these maximum limits the commission shall
4 take into account the amount of income received, or expected to be
5 received, from the class of activities to which the limits will apply
6 and the amount of money the games could generate for authorized
7 charitable or nonprofit purposes absent such expenses. The commission
8 may also take into account, in its discretion, other factors,
9 including, but not limited to, the local prevailing wage scale and
10 whether charitable purposes are benefited by the activities;

11 ~~((+17+))~~ (18) To authorize, require, and issue for a period not
12 to exceed one year such licenses or permits, for which the commission
13 may by rule provide, to any person to work for any operator of any
14 gambling activity authorized by this chapter in connection with that
15 activity, or any manufacturer, supplier, or distributor of devices
16 for those activities in connection with such business. The commission
17 may authorize the director to temporarily issue or suspend licenses
18 subject to final action by the commission. The commission shall not
19 require that persons working solely as volunteers in an authorized
20 activity conducted by a bona fide charitable or bona fide nonprofit
21 organization, who receive no compensation of any kind for any purpose
22 from that organization, and who have no managerial or supervisory
23 responsibility in connection with that activity, be licensed to do
24 such work. The commission may require that licensees employing such
25 unlicensed volunteers submit to the commission periodically a list of
26 the names, addresses, and dates of birth of the volunteers. If any
27 volunteer is not approved by the commission, the commission may
28 require that the licensee not allow that person to work in connection
29 with the licensed activity;

30 ~~((+18+))~~ (19) To publish and make available at the office of the
31 commission or elsewhere to anyone requesting it a list of the
32 commission licensees, including the name, address, type of license,
33 and license number of each licensee;

34 ~~((+19+))~~ (20) To establish guidelines for determining what
35 constitutes active membership in bona fide nonprofit or charitable
36 organizations for the purposes of this chapter;

37 ~~((+20+))~~ (21) To renew the license of every person who applies
38 for renewal within six months after being honorably discharged,
39 removed, or released from active military service in the armed forces
40 of the United States upon payment of the renewal fee applicable to

1 the license period, if there is no cause for denial, suspension, or
2 revocation of the license;

3 ~~((+21+))~~ (22) To issue licenses under subsections (1) through (4)
4 of this section that are valid for a period of up to eighteen months,
5 if it chooses to do so, in order to transition to the use of the
6 business licensing services program through the department of
7 revenue; and

8 ~~((+22+))~~ (23) To perform all other matters and things necessary
9 to carry out the purposes and provisions of this chapter.

10 **Sec. 24.** RCW 9.46.130 and 2011 c 336 s 303 are each amended to
11 read as follows:

12 The premises and paraphernalia, and all the books ~~((and))~~,
13 records, databases, hardware, software, or any other electronic data
14 storage device of any person, association, or organization conducting
15 gambling activities authorized under this chapter and any person,
16 association, or organization receiving profits therefrom or having
17 any interest therein shall be subject to inspection and audit at any
18 reasonable time, with or without notice, upon demand, by the
19 commission or its designee, the attorney general or his or her
20 designee, the chief of the Washington state patrol or his or her
21 designee or the prosecuting attorney, sheriff, or director of public
22 safety or their designees of the county wherein located, or the chief
23 of police or his or her designee of any city or town in which said
24 organization is located, for the purpose of determining compliance or
25 noncompliance with the provisions of this chapter and any rules or
26 regulations or local ordinances adopted pursuant thereto, or any
27 federal or state law. A reasonable time for the purpose of this
28 section shall be: (1) If the items or records to be inspected or
29 audited are located anywhere upon a premises, any portion of which is
30 regularly open to the public or members and guests, then at any time
31 when the premises are so open ~~((r))~~ or at which they are usually open;
32 or (2) if the items or records to be inspected or audited are not
33 located upon a premises set out in subsection (1) of this section,
34 then any time between the hours of 8:00 a.m. and 9:00 p.m., Monday
35 through Friday.

36 The commission shall be provided at such reasonable intervals as
37 the commission shall determine with a report, under oath, detailing
38 all receipts and disbursements in connection with such gambling
39 activities, together with such other reasonable information as

1 required in order to determine whether such activities comply with
2 the purposes of this chapter or any local ordinances relating
3 thereto.

4 **Sec. 25.** RCW 9.46.153 and 1981 c 139 s 14 are each amended to
5 read as follows:

6 (1) It shall be the affirmative responsibility of each applicant
7 and licensee to establish by clear and convincing evidence the
8 necessary qualifications for licensure of each person required to be
9 qualified under this chapter, as well as the qualifications of the
10 facility in which the licensed activity will be conducted;

11 (2) All applicants and licensees shall consent to inspections,
12 searches and seizures, and the supplying of handwriting examples as
13 authorized by this chapter and rules adopted hereunder;

14 (3) All licensees, and persons having any interest in licensees,
15 including, but not limited to, employees and agents of licensees, and
16 other persons required to be qualified under this chapter or rules of
17 the commission shall have a duty to inform the commission or its
18 staff of any action or omission which they believe would constitute a
19 violation of this chapter or rules adopted pursuant thereto, or a
20 violation of state or federal law. No person who so informs the
21 commission or the staff shall be discriminated against by an
22 applicant or licensee because of the supplying of such information;

23 (4) All applicants, licensees, persons who are operators or
24 directors thereof, and persons who otherwise have a substantial
25 interest therein shall have the continuing duty to provide any
26 assistance or information required or requested by the commission and
27 to investigations conducted by the commission. If, upon issuance of a
28 formal request to answer or produce information, evidence, or
29 testimony, any applicant, licensee or officer or director thereof, or
30 person with a substantial interest therein, refuses to comply, the
31 applicant or licensee may be denied or revoked by the commission;

32 (5) All applicants and licensees shall waive any and all
33 liability as to the state of Washington, its agencies, employees, and
34 agents for any damages resulting from any disclosure or publication
35 in any manner, other than a ((willfully)) willfully unlawful
36 disclosure or publication, of any information acquired by the
37 commission during its licensing ((or)) other investigations ((or))
38 inquiries, or hearings;

1 (6) Each applicant or licensee may be photographed for
2 investigative and identification purposes in accordance with the
3 rules of the commission;

4 (7) An application to receive a license under this chapter or
5 rules adopted pursuant thereto constitutes a request for a
6 determination of the applicant's, and those person's with an interest
7 in the applicant, general character, integrity, and ability to engage
8 or participate in, or be associated with, gambling or related
9 activities impacting this state. Any written or oral statement made
10 in the course of an official investigation, proceeding, or process of
11 the commission by any member, employee, or agent thereof, or by any
12 witness, testifying under oath, which is relevant to the
13 investigation, proceeding, or process, is absolutely privileged and
14 shall not impose any liability for slander, libel, or defamation, or
15 constitute any grounds for recovery in any civil action.

16 **Sec. 26.** RCW 9.46.155 and 2003 c 53 s 34 are each amended to
17 read as follows:

18 (1) No (~~applicant or licensee~~) person shall give or provide, or
19 offer to give or provide, directly or indirectly, to any public
20 official (~~or~~), employee, or agent of this state, or any of its
21 agencies or political subdivisions, any compensation or reward, or
22 share of the money or property paid or received through gambling
23 activities, in consideration for obtaining any license,
24 authorization, permission, or privilege to participate in any gaming
25 operations except as authorized by this chapter or rules adopted
26 pursuant thereto.

27 (2) (~~Violation~~) No person shall give or provide, or attempt to
28 give or provide, directly or indirectly, any compensation, reward, or
29 thing of value to a sporting event participant, including an athlete,
30 coach, referee, official, medical staff, team, school, league
31 official or employee, or anyone else having actual or potential
32 influence over a sporting event, to influence or require the sporting
33 event participant to manipulate a game or contest as prohibited in
34 chapter 67.04 RCW, or provide confidential or insider information
35 with the intent to use the information to gain an advantage in a
36 gambling activity.

37 (3) Unless otherwise provided in another title or section,
38 violation of this section is a class C felony for which a person,
39 upon conviction, shall be punished by imprisonment for not more than

1 five years or a fine of not more than one hundred thousand dollars,
2 or both.

3 **Sec. 27.** RCW 9.46.190 and 1991 c 261 s 7 are each amended to
4 read as follows:

5 Any person (~~(or)~~), association, or organization operating any
6 gambling activity who or which, directly or indirectly, shall in the
7 course of such operation:

8 (1) Employ any device, scheme, or artifice to defraud; or

9 (2) Make any untrue statement of a material fact, or omit to
10 state a material fact necessary in order to make the statement made
11 not misleading, in the light of the circumstances under which said
12 statement is made; or

13 (3) Engage in any act, practice, or course of operation as would
14 operate as a fraud or deceit upon any person; or

15 (4) Alter or misrepresent the outcome of a game or other event on
16 which wagers have been made after the outcome is made sure, but
17 before it is revealed to the players; or

18 (5) Place, increase, or decrease a bet, or determine the course
19 of play after acquiring knowledge, not available to all players, of
20 the outcome of the game or any event that affects the outcome of the
21 game or which is the subject of the bet, or aid anyone in acquiring
22 such knowledge for the purpose of placing, increasing, or decreasing
23 a bet, or determining the course of play contingent upon that event
24 or outcome; or

25 (6) Claim, collect, or take, or attempt to claim, collect, or
26 take money or anything of value in or from a gambling game, with
27 intent to defraud, without having made a wager contingent thereon, or
28 to claim, collect, or take an amount greater than the amount won; or

29 (7) Knowingly entice or induce another to go to any place where a
30 gambling game is being conducted or operated in violation of this
31 chapter, with the intent that the other person play or participate in
32 that gambling game; or

33 (8) Place or increase a bet after acquiring knowledge of the
34 outcome of the game or other event which is the subject of the bet,
35 including past-posting and pressing bets; or

36 (9) Reduce the amount wagered or cancel the bet after acquiring
37 knowledge of the outcome of the game or other event which is the
38 subject of the bet, including pinching bets; or

1 (10) Manipulate, with the intent to cheat, any component of a
2 gaming device in a manner contrary to the designed and normal
3 operational purpose for the component, including, but not limited to,
4 varying the pull of the handle of a slot machine, with knowledge that
5 the manipulation affects the outcome of the game or with knowledge of
6 any event that affects the outcome of the game; or

7 (11) Offer, promise, or give anything of value to anyone for the
8 purpose of influencing the outcome of a race, sporting event,
9 contest, or game upon which a wager may be made, or place, increase,
10 or decrease a wager after acquiring knowledge, not available to the
11 general public, that anyone has been offered, promised, or given
12 anything of value for the purpose of influencing the outcome of the
13 race, sporting event, contest, or game upon which the wager is
14 placed, increased, or decreased; or

15 (12) Change or alter the normal outcome of any game played on an
16 interactive gaming system or a mobile gaming system or the way in
17 which the outcome is reported to any participant in the game;

18 Shall be guilty of a (~~gross misdemeanor~~) class C felony subject
19 to the penalty set forth in RCW 9A.20.021.

20 **Sec. 28.** RCW 9.46.210 and 2000 c 46 s 1 are each amended to read
21 as follows:

22 (1) It shall be the duty of all peace officers, law enforcement
23 officers, and law enforcement agencies within this state to
24 investigate, enforce, and prosecute all violations of this chapter.

25 (2) In addition to the authority granted by subsection (1) of
26 this section, law enforcement agencies of cities and counties shall
27 investigate and report to the commission all violations of the
28 provisions of this chapter and of the rules of the commission found
29 by them and shall assist the commission in any of its investigations
30 and proceedings respecting any such violations. Such law enforcement
31 agencies shall not be deemed agents of the commission.

32 (3) In addition to its other powers and duties, the commission
33 shall have the power to enforce the penal provisions of (~~chapter~~
34 ~~218, Laws of 1973 1st ex. sess.~~) chapters 9.46 and 9.--- RCW (the
35 new chapter created in section 21 of this act) and as it may be
36 amended, and the penal laws of this state relating to the conduct of,
37 or participation in, gambling activities, including chapter 9A.83
38 RCW, and the manufacturing, importation, transportation,
39 distribution, possession, and sale of equipment or paraphernalia used

1 or for use in connection therewith. The director, the deputy
2 director, both assistant directors, and each of the commission's
3 investigators, enforcement officers, and inspectors shall have the
4 power, under the supervision of the commission, to enforce the penal
5 provisions of (~~chapter 218, Laws of 1973 1st ex. sess.~~) chapters
6 9.46 and 9.--- RCW (the new chapter created in section 21 of this
7 act) and as it may be amended, and the penal laws of this state
8 relating to the conduct of, or participation in, gambling activities,
9 including chapter 9A.83 RCW, and the manufacturing, importation,
10 transportation, distribution, possession, and sale of equipment or
11 paraphernalia used or for use in connection therewith. They shall
12 have the power and authority to apply for and execute all warrants
13 and serve process of law issued by the courts in enforcing the penal
14 provisions of (~~chapter 218, Laws of 1973 1st ex. sess.~~) chapters
15 9.46 and 9.--- RCW (the new chapter created in section 21 of this
16 act) and as it may be amended, and the penal laws of this state
17 relating to the conduct of, or participation in, gambling activities,
18 including chapter 9A.83 RCW, and the manufacturing, importation,
19 transportation, distribution, possession, and sale of equipment or
20 paraphernalia used or for use in connection therewith. They shall
21 have the power to arrest without a warrant(~~(7)~~) any person or persons
22 found in the act of violating any of the penal provisions of
23 (~~chapter 218, Laws of 1973 1st ex. sess.~~) chapters 9.46 and 9.---
24 RCW (the new chapter created in section 21 of this act) and as it may
25 be amended, and the penal laws of this state relating to the conduct
26 of, or participation in, gambling activities, including chapter 9A.83
27 RCW, and the manufacturing, importation, transportation,
28 distribution, possession, and sale of equipment or paraphernalia used
29 or for use in connection therewith. To the extent set forth above,
30 the commission shall be a law enforcement agency of this state with
31 the power to investigate for violations of, and to enforce, the
32 provisions of this chapter, as now law or hereafter amended, and to
33 obtain information from, and provide information to, all other law
34 enforcement agencies.

35 (4) Criminal history record information that includes
36 nonconviction data, as defined in RCW 10.97.030, may be disseminated
37 by a criminal justice agency to the Washington state gambling
38 commission for any purpose associated with the investigation for
39 suitability for involvement in gambling activities authorized under
40 this chapter. The Washington state gambling commission shall only

1 disseminate nonconviction data obtained under this section to
2 criminal justice agencies.

3 (5) In addition to its other powers and duties, the commission
4 shall have the power to:

5 (a) Establish a sports integrity unit to prevent and detect
6 competition manipulation through education and enforcement of the
7 penal provisions of chapters 9.46 and 9.--- RCW (the new chapter
8 created in section 21 of this act), chapter 67.04 RCW, or any other
9 state penal laws needed to protect the integrity of amateur and
10 professional sporting events and contests within the state; and

11 (b) Track and monitor gambling-related transactions occurring
12 within the state and require any reporting as needed.

13 **Sec. 29.** RCW 9.46.220 and 1997 c 78 s 2 are each amended to read
14 as follows:

15 (1) A person is guilty of professional gambling in the first
16 degree if he or she engages in, or knowingly causes, aids, abets, or
17 conspires with another to engage in, professional gambling as defined
18 in this chapter, and:

19 (a) Acts in concert with or conspires with five or more people;
20 or

21 (b) Personally accepts wagers exceeding five thousand dollars
22 during any thirty-day period on future contingent events; or

23 (c) The operation for whom the person works, or with which the
24 person is involved, accepts wagers exceeding five thousand dollars
25 during any thirty-day period on future contingent events; or

26 (d) Operates, manages, or profits from the operation of a
27 premises or location where persons are charged a fee to participate
28 in card games, lotteries, or other gambling activities that are not
29 authorized by this chapter or licensed by the commission; or

30 (e) Engages in bookmaking as defined in RCW 9.46.0213.

31 (2) However, this section shall not apply to those activities
32 enumerated in RCW 9.46.0305 through 9.46.0361 or to any act or acts
33 in furtherance of such activities when conducted in compliance with
34 the provisions of this chapter and in accordance with the rules
35 adopted pursuant to this chapter.

36 (3) Professional gambling in the first degree is a class B felony
37 subject to the penalty set forth in RCW 9A.20.021.

1 **Sec. 30.** RCW 9.46.240 and 2006 c 290 s 2 are each amended to
2 read as follows:

3 (1) Whoever knowingly transmits or receives gambling information
4 by telephone, telegraph, radio, semaphore, the internet, a
5 telecommunications transmission system, or similar means, or
6 knowingly installs or maintains equipment for the transmission or
7 receipt of gambling information shall be guilty of a class C felony
8 subject to the penalty set forth in RCW 9A.20.021. (~~However, this~~)

9 (2) This section shall not apply to such information transmitted
10 or received, or equipment or devices installed or maintained,
11 relating to activities authorized by this chapter, chapter 9.--- RCW
12 (the new chapter created in section 21 of this act), or to any act or
13 acts in furtherance thereof when conducted in compliance with the
14 provisions of this chapter ((and)), in accordance with the rules
15 adopted under this chapter; and consistent with tribal-state gambling
16 compacts.

17 **Sec. 31.** RCW 67.04.010 and 2012 c 117 s 294 are each amended to
18 read as follows:

19 Any person who shall bribe or offer to bribe(~~(7)~~) any (~~(baseball~~
20 ~~player)) sporting event participant, including an athlete, coach,~~
21 ~~referee, official, medical staff, or anyone else having actual or~~
22 ~~potential influence over a sporting event, with the intent to~~
23 ~~influence ((his or her play, action, or conduct in any baseball~~
24 ~~game)) the outcome of a play, game, match, or event, or any person~~
25 ~~who shall bribe or offer to bribe any ((umpire of a baseball game,~~
26 ~~with intent to influence him or her to make a wrong decision or to~~
27 ~~bias his or her opinion or judgment in relation to any baseball game~~
28 ~~or any play occurring therein, or any person who shall bribe or offer~~
29 ~~to bribe any manager, or other official of a baseball club, league,~~
30 ~~or association, by whatsoever name called, conducting said game of~~
31 ~~baseball to throw or lose a game of baseball)) team, school, or~~
32 ~~league official or employee to obtain confidential or insider~~
33 ~~information on a player, team, or coach with the intent to violate a~~
34 ~~section of this act or use the information to gain a gambling~~
35 ~~advantage in violation of chapters 9.46 and 9.---~~ RCW (the new
36 ~~chapter created in section 21 of this act), shall be guilty of a~~
37 ~~((gross misdemeanor)) class B felony.~~

1 **Sec. 32.** RCW 67.04.020 and 2012 c 117 s 295 are each amended to
2 read as follows:

3 Any ~~((baseball player))~~ sporting event athlete, player, or
4 participant who shall accept or agree to accept ~~((r))~~ a bribe offered
5 for the purpose of wrongfully influencing his or her play, action,
6 decision making, or conduct in any ~~((baseball game))~~ sporting event,
7 or any umpire ~~((of a baseball game)),~~ official, referee, or any other
8 person responsible for implementing game or event rules and scoring
9 who shall accept or agree to accept a bribe offered for the purpose
10 of influencing him or her to make a wrong decision, or biasing his or
11 her opinions, rulings, or judgment with regard to any play, or any
12 ~~((manager of a baseball club, or club))~~ person, including an owner,
13 manager, coach, medical staff, official, employee of a team,
14 organization, or league official, who shall accept ~~((r))~~ or agree to
15 accept ~~((r))~~ any bribe offered for the purpose of inducing him or her
16 to manipulate a game or contest, including to lose or cause to be
17 lost any ((baseball)) game or contest, as set forth in RCW 67.04.010,
18 shall be guilty of a ~~((gross misdemeanor))~~ class C felony.

19 **Sec. 33.** RCW 67.04.030 and 2012 c 117 s 296 are each amended to
20 read as follows:

21 To complete the offenses mentioned in RCW 67.04.010 and
22 67.04.020, it shall not be necessary that ~~((the baseball))~~ a player,
23 manager, umpire, ~~((or))~~ official, or anyone else having actual or
24 potential influence over a sporting event shall, at the time, have
25 been actually employed, selected, or appointed to perform his or her
26 respective duties; it shall be sufficient if the bribe be offered,
27 accepted, or agreed to with the view of probable employment,
28 selection, or appointment of the person to whom the bribe is offered,
29 or by whom it is accepted. Neither shall it be necessary that such
30 ~~((baseball))~~ player, umpire, ~~((or))~~ manager, official, or anyone else
31 having actual or potential influence over a sporting event actually
32 play or participate in a game or games concerning which said bribe is
33 offered or accepted; it shall be sufficient if the bribe be given,
34 offered, or accepted in view of his or her possibly participating
35 therein.

36 **Sec. 34.** RCW 67.04.040 and 2012 c 117 s 297 are each amended to
37 read as follows:

1 By a "bribe" as used in RCW 67.04.010 through 67.04.080, is meant
2 any gift, emolument, money or thing of value, testimonial, privilege,
3 appointment, or personal advantage, or the promise of either,
4 bestowed or promised for the purpose of influencing, directly or
5 indirectly, any ~~((baseball))~~ player, manager, umpire, club or league
6 official, or anyone else having actual or potential influence over a
7 sporting event to see which game an admission fee may be charged, or
8 in which game of ~~((baseball))~~ any player, manager, ~~((or))~~ umpire,
9 official, or anyone else having actual or potential influence over a
10 sporting event is paid any compensation for his or her services. Said
11 bribe as defined in RCW 67.04.010 through 67.04.080 need not be
12 direct; it may be such as is hidden under the semblance of a sale,
13 bet, wager, payment of a debt, or in any other manner designed to
14 cover the true intention of the parties.

15 **Sec. 35.** RCW 67.04.050 and 2012 c 117 s 298 are each amended to
16 read as follows:

17 Any ~~((baseball))~~ player, manager, umpire, referee, official, or
18 club or league ~~((official))~~ employee who shall commit any willful act
19 of omission or commission in playing, or directing the playing, of a
20 ~~((baseball))~~ game, sporting event, or contest, with intent to
21 ~~((cause))~~ manipulate a sporting event, including causing the ~~((ball~~
22 ~~club))~~ team, with which he or she is affiliated, to lose a
23 ~~((baseball))~~ game or event; or any umpire, referee, or official
24 officiating in a ~~((baseball))~~ game or event, or any club or league
25 ~~((official))~~ employee who shall commit any willful act connected with
26 his or her official duties for the purpose and with the intent to
27 ~~((cause))~~ manipulate a sporting event, including causing a ~~((baseball~~
28 ~~club))~~ team to win or lose a ~~((baseball))~~ game or event, which it
29 would not otherwise have won or lost under the rules governing the
30 playing of said game, shall be guilty of a ~~((gross misdemeanor))~~
31 class C felony.

32 **Sec. 36.** RCW 67.04.060 and 1921 c 181 s 6 are each amended to
33 read as follows:

34 In all prosecutions under RCW 67.04.010 through 67.04.080, the
35 venue may be laid in any county where the bribe herein referred to
36 was given, offered or accepted, or in which the ~~((baseball game))~~
37 sporting event or contest was played in relation to which the bribe

1 was offered, given or accepted, or the acts referred to in RCW
2 67.04.050 committed.

3 **Sec. 37.** RCW 67.04.070 and 2012 c 117 s 299 are each amended to
4 read as follows:

5 Nothing in RCW 67.04.010 through 67.04.080 shall be construed to
6 prohibit the giving or offering of any bonus or extra compensation to
7 any manager (~~((or baseball))~~), player, coach, or other persons
8 connected with a collegiate or professional team, organization, or
9 league by any person to encourage such manager or player to a higher
10 degree of skill, ability, or diligence in the performance of his or
11 her duties.

12 **Sec. 38.** RCW 67.04.080 and 1921 c 181 s 8 are each amended to
13 read as follows:

14 RCW 67.04.010 through 67.04.080 shall apply only to (~~baseball~~
15 ~~league and club officials~~)) sporting event leagues, teams, players,
16 referees, umpires, managers ((and players)), or anyone else having
17 actual or potential influence over a sporting event who act in
18 (~~such~~) their official capacity in (~~games~~) sporting events or
19 contests where the public is generally invited to attend and (~~a~~
20 ~~general admission~~) an entrance fee is charged.

21 NEW SECTION. **Sec. 39.** Sports wagering lounges at which a sports
22 pool is operated are a permitted use in all commercial, retail,
23 industrial, nonresidential, and mixed-use zoning districts of a
24 municipality.

25 NEW SECTION. **Sec. 40.** RCW 67.24.010 is recodified as a section
26 in chapter 67.04 RCW.

27 NEW SECTION. **Sec. 41.** RCW 67.24.020 (Scope of 1945 c 107) and
28 1945 c 107 s 2 are each repealed.

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SENATE BILL REPORT

SB 6277

As of January 29, 2020

Title: An act relating to authorizing sports wagering at tribal casinos, card rooms, and racetracks.

Brief Description: Authorizing sports wagering at tribal casinos, card rooms, and racetracks.

Sponsors: Senators King and Rivers.

Brief History:

Committee Activity: Labor & Commerce: 1/30/20.

Brief Summary of Bill

- Authorizes sport wagering through sports pools and online sport pools by tribal casinos, pursuant to compacts, and by licensed card rooms and racetracks.
- Allows wagers to be placed in person, through self-service machines at the complex, or through online sports pool; all wagers must generally be places in the state.
- Prohibits certain activities and person and entities from placing wagers or owning a sport wagering operator; and provides penalties.
- Modifies and expands the Gambling Commission's authority related to sport wagering.
- Provides a 10 percent tax on gaming revenue.

SENATE COMMITTEE ON LABOR & COMMERCE

Staff: Susan Jones (786-7404)

Background: Supreme Court Decision Regarding Sports Betting. In May 2018, in the case of *Murphy v. National Collegiate Athletic Association*, the United States Supreme Court ruled that the federal Professional and Amateur Sports Protection Act violates the Tenth Amendment to the United States Constitution by prohibiting states from authorizing sports

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

betting. After this decision, some states have passed legislation allowing sports betting or wagering.

Indian Gaming Regulatory Act. The federal Indian Gaming Regulatory Act (IGRA) affirmed tribal gaming rights and provides a framework for Indian tribes and states to negotiate, on a government-to-government basis, for how class III gaming will be conducted within a state and on tribal lands. Types of gaming are separated into three classes under IGRA. Class III gaming is casino-style gaming including lotteries, roulette, and house-banked card games such as blackjack and baccarat. Tribes and the state negotiate regarding Class III gaming and how it will be authorized and regulated. Class I and II gaming is regulated by tribes only. Class I gaming includes social games for prizes of minimal value or traditional forms of Indian gaming engaged in by individuals in connection with tribal ceremonies or celebrations. Class II gaming includes bingo and certain non-house-banked card games.

Compact Negotiations. The Gambling Commission (Commission) negotiates compacts for Class III gaming with federally recognized Indian tribes. When a tentative agreement on a proposed compact is reached, the director of the Commission (Director) transmits a copy to all voting and ex officio members of the Commission and to the appropriate Legislative committees, which must hold a public hearing on the proposed compact and forward any comments to the Commission. The Commission may also hold public hearings on the proposed compact any time after receiving a copy of the compact from the Director. The Commission, including the ex officio members, votes on whether to return the proposed compact to the Director with instructions for further negotiation or to forward the proposed compact to the Governor for review and final execution.

Illegal Gambling Activities. Under Washington law, transmitting or receiving gambling information by means of the Internet is illegal and punishable as a class C felony. Additionally, operating an unauthorized bookmaking operation is punishable by up to a class B felony. "Bookmaking" is defined as accepting bets, upon the outcome of future contingent events, as a business or in which the bettor is charged a fee or vigorish for the opportunity to place a bet.

Sports Pool. Since 1976, a limited form of sports wagering called sports pools has been legal in Washington. To conduct sports pools no license is required. Sports pools are limited to a board or piece of paper divided into 100 equal squares, each of which constitutes a chance to win in the sports pool and each of which is offered to contestants for \$1 or less. All money paid by participants less taxes is paid out as the prize to the person holding squares assigned the winning score or scores.

Summary of Bill: Sports Wagering Authorized. The Legislature authorizes sport wagering through sports pools and online sport pools by a tribal casino pursuant to a compact and by a card room or racetrack. Authorized sports wagering does not constitute bookmaking and is not subject to civil or criminal penalties. The Gambling Commission (Commission) may negotiate tribal compacts authorizing sports wagering and issue all sports wagering licenses and renewals to card rooms and racetracks. A tribal casino and a sports wagering licensee may operate a sports pool in accordance with the act. Definitions are provided for various terms.

A tribal casino and a sports wagering licensee may enter into an agreement to jointly operate a sports pool at a racetrack. A tribal casino and a sports wagering licensee may conduct an online sports pool or may authorize an Internet sports pool operator licensed as a casino service industry enterprise to operate an online sports pool on its behalf with a Commission approved agreement.

Card Room & Racetrack Licenses. The Commission may charge a card room and a racetrack a license fee of \$500,000 for the initial issuance and a reasonable renewal fee based upon the expense associated with renewal, enforcement, and programs for the prevention and treatment of problem gambling. Licenses generally expire after five years. No sports wagering license may be issued by the Commission to any person or entity unless it has established its financial stability, integrity, responsibility, good character, and honesty.

Commission Reports. The Commission, following consultation with the sports wagering licensees, must annually provide a report to the Governor and the appropriate committees of the Legislature on the impact of sports wagering, including Internet wagering on sports events, on problem gamblers and gambling addiction in the state. The report must be prepared by a private entity with expertise in serving the needs of persons with gambling addictions. The report costs are borne by the authorized Internet gaming licensees. The Commission may also periodically report to the Governor and the appropriate legislative committees on the effectiveness of the statutory and regulatory controls in place to ensure the integrity of gaming operations through the Internet.

Licensees' Websites, Applications, Lounges. Each tribal casino and sports wagering licensee may provide no more than one branded sports wagering website, which may have a mobile application. No online sports pool may be opened to the public, and no sports wagering, except for test purposes, may be conducted until an Internet sports pool operator receives a sports wagering license or pursuant to the compact terms. The server or other equipment used by a tribal casino or a sports wagering licensee to accept wagers at a sports pool or online sports pool must be located in that tribal casino, card room, or racetrack complex. A sports pool must be operated in a sports wagering lounge located at the tribal casino, card room, or racetrack complex. A sports wagering lounge may be located at a casino simulcasting facility. The lounge must conform to all rules concerning square footage, design, equipment, and security measures. The operator must display the odds at which wagers may be placed on sports events. Sports wagering lounges are a permitted use in all commercial, retail, industrial, nonresidential, and mixed-use zoning districts of a municipality.

Accepting Wagers. An operator may accept wagers on sports events only: (1) from persons physically present in the sports wagering lounge; (2) through Commission authorized self-service wagering machines located in its complex; or (3) through an online sports pool. A person placing a wager on a sports event must be at least 18 years of age.

Prohibited Activities. Any person who offers a sports pool or an online sports pool without a license or pursuant to a compact is guilty of a class B felony and is subject to a fine of not more than \$25,000, and, in the case of a person other than a natural person, not more than \$100,000.

Persons or entities prohibited from having any ownership interest in, control of, or being employed by, an operator, a sports wagering licensee, or a facility in which a sports wagering lounge is located, or placing a wager is provided. A violator is guilty of a misdemeanor punishable by either imprisonment for not more than 90 days or a fine in of not more than \$1,000, or both.

An operator must adopt procedures to prevent persons who are prohibited from placing sports wagers from wagering on sports events. An operator may not accept wagers from any person whose identity is known to the operator and (1) whose name appears on any self-exclusion programs list; (2) who is the operator, director, officer, owner, or employee of the operator or any of their relatives living in the same household; (3) who has access to nonpublic confidential information held by the operator; or (4) who is an agent or proxy for any other person.

An operator must adopt procedures to obtain personally identifiable information from any individual who places any single wager in an amount of \$10,000 or more on a sports event while physically present in a tribal casino, card room, or racetrack complex.

Casino Service Industry Enterprise. The tribal casino or sports wagering licensee may contract with an entity to conduct the operation in accordance with the rules adopted by the Commission. That entity must obtain a license as a casino service industry enterprise prior to the execution of any contract.

Operator Reporting Requirement. An operator must promptly report to the Commission certain criminal or disciplinary proceedings commenced against the operator or its employees; any abnormal betting activity or patterns; any other conduct with the potential to corrupt a betting outcome; and suspicious or illegal wagering activities. The Commission may share this information with any law enforcement entity, team, sports governing body, or regulatory agency.

Location of Wagering. A casino or licensee may also conduct wagering through one or more Commission authorized kiosks or self-service wagering stations located within its complex. All wagers must be initiated, received, and otherwise made within this state unless otherwise determined by the Commission in accordance with applicable federal and state laws. Wagers may be accepted or pooled with wagers from persons who are not physically present in this state if the Commission determines that such wagering is not inconsistent with federal law or the law of the jurisdiction in which any such person is located, or such wagering is conducted pursuant to a reciprocal agreement to which the state is a party that is not inconsistent with federal law.

Other Licensing Requirements. Applicants for, and holders of, a sports wagering license must disclose the identity of certain board members, directors and person holding certain percentage interests in applicant or holder entity; and information about related holding or intermediary companies. All persons employed directly in wagering-related activities in a sports wagering lounge and an online sports pool must be licensed as a sports wagering key employee or registered as a sports wagering employee. All other employees who are working in the sports wagering lounge may be required to be registered by the Commission.

Each operator must designate one or more sports wagering key employees. At least one key employee must be on the premises whenever sports wagering is conducted.

No tribal casino, card room, or racetrack may be authorized to operate a sports pool or online sports pool unless it has produced, to the satisfaction of the Commission, information, documentation, and assurances concerning its financial background and resources, including cash reserves, that are sufficient to demonstrate that it has the financial stability, integrity, and responsibility to operate a sports pool or online sports pool.

Commission Rules. The Commission may adopt rules applicable to sports wagering including the: amount of cash reserves for operators; acceptance of wagers on a series of sports events; maximum wagers which may be accepted by an operator from any one patron on any one sports event; type of wagering tickets which may be used; method of issuing tickets; method of accounting to be used by operators; types of records which must be kept; use of credit and checks by patrons; type of system for wagering; protections for a person placing a wager; and a disclosure regarding problem gambling.

House Rules. Each operator must adopt comprehensive house rules governing sports wagering transactions with its patrons approved by the Commission. The rules must be conspicuously displayed in the lounge, posted on the web site, and included in the terms and conditions of the account wagering system. Copies must be made available to patrons.

Gambling Tax. There is a 10 percent tax on gaming revenue, which is the total amount wagered less winnings paid out, administered by the Department of Revenue. Taxes paid on gaming revenue received from wagers or bets placed on tribal lands will be remitted to the tribe on whose lands the bet was placed. The business and occupations tax does not apply to any person in respect to a business activity with respect the ten percent tax is imposed.

Unclaimed Winnings. If a patron does not claim a winning sports pool wager within one year from the time of the event, the operator retains 50 percent and remits the 50 percent to the problem gambling account. Current sports pool laws are modified to refer to them as sports boards.

Other Gambling Law Modifications. Certain duties and authorities of the Commission are modified and other technical changes are made. Databases, hardware, software, or any other electronic data storage device of any person, entities conducting certain gambling activities are be subject to inspection and audit by the Commission. Other gambling laws are modified.

Certain prohibitions are provided related to influencing, bribing, manipulating, or cheating in certain gambling activities. Violators are guilty of a class C felony for which a person, upon conviction, shall be punished by imprisonment for not more than five years or a fine of not more than \$100,000, or both.

The Commission shall have the power to establish a sports integrity unit to prevent and detect competition manipulation through education and enforcement of the criminal provisions, or any other state criminal laws needed to protect the integrity of amateur and

professional sporting events and contests within the state; and to track and monitor gambling-related transactions occurring within the state and require any reporting as needed.

Transmitting or receiving information through the telephone or Internet relating to authorized sport wagering is not illegal.

Appropriation: None.

Fiscal Note: Requested on January 14, 2020.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

SENATE BILL 6277

State of Washington

66th Legislature

2020 Regular Session

By Senators King and Rivers

1 AN ACT Relating to authorizing sports wagering at tribal casinos,
2 card rooms, and racetracks; amending RCW 9.46.0335, 9.46.070,
3 9.46.130, 9.46.153, 9.46.155, 9.46.190, 9.46.210, 9.46.220, 9.46.240,
4 67.04.010, 67.04.020, 67.04.030, 67.04.040, 67.04.050, 67.04.060,
5 67.04.070, and 67.04.080; adding a new section to chapter 82.04 RCW;
6 adding a new section to chapter 67.04 RCW; adding a new chapter to
7 Title 9 RCW; recodifying RCW 67.24.010; repealing RCW 67.24.020; and
8 prescribing penalties.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

10 NEW SECTION. **Sec. 1.** This act may be known and cited as the
11 sports wagering act.

12 NEW SECTION. **Sec. 2.** The definitions in this section apply
13 throughout this chapter unless the context clearly requires
14 otherwise.

15 (1) "Card room" means a business licensed to conduct social card
16 games pursuant to RCW 9.46.0325.

17 (2) "Collegiate sport or athletic event" means a sport or
18 athletic event offered or sponsored by, or played in connection with,
19 a public or private institution that offers educational services
20 beyond the secondary level.

1 (3) "Commission" means the Washington state gambling commission
2 created in RCW 9.46.040.

3 (4) "Fantasy sports activity" means any fantasy or simulated
4 activity or contest with an entry fee in which a participant owns or
5 manages an imaginary team and competes against other participants or
6 a target score for a predetermined prize with the outcome reflecting
7 the relative skill of the participants and determined by statistics
8 generated based on performance by actual individuals participating in
9 actual competitions or athletic events, provided that the outcome
10 must not be based solely on the performance of an individual athlete,
11 or on the score, point spread, or any performance of any single real
12 team or combination of real teams. "Fantasy sports activity" does not
13 include any activity in which no entry fee is paid to the fantasy
14 sports operator or in which a prize is not collected, managed, or
15 awarded by the operator.

16 (5) "Internet sports pool operator" means an entity that is
17 licensed as a casino service industry enterprise and that holds a
18 license issued by the commission to operate an online sports pool.

19 (6) "Online sports pool" means a sports wagering operation in
20 which wagers on sports events are made through computers or mobile or
21 interactive devices and accepted at a sports wagering lounge through
22 an online gaming system that is operating pursuant to a sports
23 wagering license issued by the commission.

24 (7) "Operator" means a tribal casino or sport wagering licensee
25 that has elected to operate a sports pool, either independently or
26 jointly, and any entity with whom a tribal casino or sport wagering
27 licensee contracts to operate a sports pool or online sports pool,
28 including an internet sports pool operator, on its behalf.

29 (8) "Professional sport or athletic event" means an event at
30 which two or more persons participate in a sport or athletic event
31 and receive compensation in excess of actual expenses for their
32 participation in such event.

33 (9)(a) "Prohibited sports event" means any collegiate sport or
34 athletic event that takes place in this state or a sport or athletic
35 event in which any Washington state college team participates
36 regardless of where the event takes place. "Prohibited sports event"
37 includes all high school sports events, electronic sports, and
38 competitive video games, but does not include international sports
39 events in which persons under age eighteen make up a minority of the
40 participants.

1 (b) "Prohibited sports event" does not include the other games of
2 a collegiate sport or athletic tournament in which a Washington state
3 college team participates, nor does it include any games of a
4 collegiate tournament that occurs outside Washington state, even
5 though some of the individual games or events are held in Washington.

6 (10) "Racetrack" means a business licensed to conduct horse race
7 meets under a license issued by the Washington horse racing
8 commission pursuant to chapter 67.16 RCW.

9 (11) "Sports event" means any professional sport or athletic
10 event, any Olympic or international sports competition event, or any
11 collegiate sport or athletic event, or any portion thereof,
12 including, but not limited to, the individual performance statistics
13 of athletes in a sports event or combination of sports events.
14 "Sports event" does not include a prohibited sports event or a
15 fantasy sports activity.

16 (12) "Sports pool" means the business of accepting wagers on any
17 sports event by any system or method of wagering, including, but not
18 limited to, single-game bets, teaser bets, parlays, over/under, money
19 line, pools, exchange wagering, in-game wagering, in-play bets,
20 proposition bets, or straight bets.

21 (13) "Sports wagering lounge" means an area wherein an authorized
22 sports pool is operated at a tribal casino, card room, or racetrack
23 complex.

24 (14) "Tribal casino" means a federally recognized Indian tribe or
25 an entity owned by a federally recognized Indian tribe authorized to
26 conduct sports wagering through sports pools or online sports pools
27 on federal Indian lands in accordance with the terms of a class III
28 gaming compact entered into by a federally recognized Indian tribe
29 and the state pursuant to the Indian gaming regulatory act, 25 U.S.C.
30 Sec. 2701 et seq., and RCW 9.46.360 that expressly addresses how
31 sports wagering will be conducted, operated, and regulated consistent
32 with this chapter.

33 NEW SECTION. **Sec. 3.** (1) The legislature authorizes sport
34 wagering through sports pools and online sport pools by a tribal
35 casino pursuant to a compact and by a card room or racetrack as
36 provided in this chapter.

37 (2) Sports wagering conducted pursuant to the provisions of this
38 chapter does not constitute bookmaking and is not subject to civil or
39 criminal penalties.

1 (3) The commission has the power to: (a) Negotiate compacts with
2 tribes authorizing sports wagering for tribal casinos; and (b) issue
3 all sports wagering licenses and renewals to card rooms and
4 racetracks. The commission must hear and promptly decide all
5 applications for a sports wagering license.

6 (4) The license to operate a sports pool is in addition to any
7 other license required to be issued pursuant to chapters 9.46 and
8 67.16 RCW.

9 (5) A tribal casino and a sports wagering licensee may operate a
10 sports pool in accordance with the provisions of this chapter.

11 (6) A tribal casino and a sports wagering licensee may enter into
12 an agreement to jointly operate a sports pool at a racetrack in
13 accordance with the provisions of this chapter.

14 (7) A tribal casino and a sports wagering licensee may conduct an
15 online sports pool or may authorize an internet sports pool operator
16 licensed as a casino service industry enterprise to operate an online
17 sports pool on its behalf, provided the terms of the agreement are
18 approved by the commission.

19 (8) The powers and duties of the commission specified in chapter
20 9.46 RCW and other provisions with respect to tribal casinos and
21 licensees apply to the extent not inconsistent with the provisions of
22 this chapter.

23 (9) The commission has the authority to charge a card room and a
24 racetrack a fee for the issuance of a sports wagering license in an
25 amount of five hundred thousand dollars for the initial issuance and,
26 in the case of a renewal, a reasonable fee adopted by rule that is
27 based upon the expense associated with renewal, enforcement, and
28 programs for the prevention and treatment of problem gambling.

29 (10) No sports wagering license may be issued by the commission
30 to any person or entity unless it has established its financial
31 stability, integrity, responsibility, good character, and honesty.

32 (11) No license to operate a sports pool may be issued to any
33 person or entity that is disqualified for a license under chapter
34 9.46 or 67.16 RCW.

35 (12) A licensee must submit to the commission, no later than five
36 years after the date of the issuance of a license and every five
37 years thereafter, or within such lesser periods as the commission may
38 direct, documentation or information as the commission may, by rule,
39 require to demonstrate to the satisfaction of the commission that the
40 licensee continues to meet the requirements of this chapter.

1 (13) The commission, following consultation with the sports
2 wagering licensees, must annually provide a report to the governor
3 and the appropriate committees of the legislature on the impact of
4 sports wagering, including internet wagering on sports events, on
5 problem gamblers and gambling addiction in the state. The report must
6 be prepared by a private organization or entity with expertise in
7 serving the needs of persons with gambling addictions, as selected by
8 the commission. The report must be distributed by the commission. Any
9 costs associated with the preparation and distribution of the report
10 will be borne by the licensees who have been authorized by the
11 commission to conduct internet gaming, and the commission is
12 authorized to assess a fee against the licensees for these purposes.
13 The commission may also periodically report to the governor and the
14 appropriate committees of the legislature on the effectiveness of the
15 statutory and regulatory controls in place to ensure the integrity of
16 gaming operations through the internet.

17 NEW SECTION. **Sec. 4.** (1) Each tribal casino and sports wagering
18 licensee may provide no more than one branded sports wagering web
19 site, which may have an accompanying mobile application bearing the
20 same brand as the web site for an online sports pool.

21 (2) No online sports pool may be opened to the public, and no
22 sports wagering, except for test purposes, may be conducted until an
23 internet sports pool operator receives a sport wagering license or
24 pursuant to the terms of a compact.

25 (3) Tribal casinos, sports wagering licensees, and operators may
26 provide promotional credits, incentives, bonuses, complimentaries, or
27 similar benefits designed to induce sports betters to wager.

28 (4) The server or other equipment used by a tribal casino or a
29 sports wagering licensee to accept wagers at a sports pool or online
30 sports pool must be located in that tribal casino, card room, or
31 racetrack complex.

32 (5) A sports pool must be operated in a sports wagering lounge
33 located at the tribal casino, card room, or racetrack complex. A
34 sports wagering lounge may be located at a casino simulcasting
35 facility. The lounge must conform to all requirements concerning
36 square footage, design, equipment, security measures, and related
37 matters which the commission may prescribe. The space required for
38 the establishment of a lounge must not reduce the space authorized
39 for other gambling activities pursuant to other laws or rules.

1 (6) No tribal casino or sport wagering licensee may operate a
2 sports pool or accept wagers via an online sports pool unless a
3 sports wagering lounge is established and has commenced operation in
4 its complex; provided, however, that a tribal casino or a sports
5 wagering licensee may petition the commission to commence operation
6 of the sports pool at either a temporary facility or an online sports
7 pool, or both, during the pendency of construction of a sports
8 wagering lounge in its complex. The temporary facilities may include,
9 at the discretion of the commission, the utilization of designated
10 windows at the current casino cage or racetrack betting window for
11 purposes of placing sports betting wagers and self-service wagering
12 machines located at the complex.

13 (7) The operator must establish or display the odds at which
14 wagers may be placed on sports events.

15 (8) An operator may accept wagers on sports events only: (a) From
16 persons physically present in the sports wagering lounge; (b) through
17 self-service wagering machines located in its complex as authorized
18 by the commission; or (c) through an online sports pool.

19 (9) A person placing a wager on a sports event must be at least
20 eighteen years of age.

21 NEW SECTION. **Sec. 5.** (1) No sports pool or online sports pool
22 may be offered or made available for wagering to the public by any
23 entity other than a tribal casino or a sports wagering licensee
24 operating such pool on behalf of a licensee, or an internet sports
25 pool operator on behalf of a tribal casino or a sports wagering
26 licensee.

27 (2) Any person who offers a sports pool or an online sports pool
28 without a license or pursuant to a compact is guilty of a class B
29 felony and is subject to a fine of not more than twenty-five thousand
30 dollars, and, in the case of a person other than a natural person, a
31 fine of not more than one hundred thousand dollars.

32 NEW SECTION. **Sec. 6.** (1)(a) Any person who: (i) Is an athlete,
33 coach, referee, or director of a sports governing body or any of its
34 member team; (ii) is a sports governing body or any of its member
35 teams; (iii) is a player or a referee personnel member in or on any
36 sports event overseen by that person's sports governing body based on
37 publicly available information; (iv) holds a position of authority or
38 influence sufficient to exert influence over the participants in a

1 sporting contest, including, but not limited to, coaches, managers,
2 handlers, athletic trainers, or horse trainers; (v) has access to
3 certain types of exclusive information on any sports event overseen
4 by that person's sports governing body based on publicly available
5 information; or (vi) is identified by any lists provided by the
6 sports governing body to the commission may not have any ownership
7 interest in, control of, or otherwise be employed by, an operator, a
8 sports wagering licensee, or a facility in which a sports wagering
9 lounge is located, or place a wager on a sports event that is
10 overseen by that person's sports governing body based on publicly
11 available information. Any person who violates this subsection is
12 guilty of a misdemeanor and must, upon conviction, be punished by
13 either imprisonment in the county jail for a maximum term fixed by
14 the court of not more than ninety days or a fine in an amount fixed
15 by the court of not more than one thousand dollars, or both.

16 (b) Any employee of a sports governing body or its member teams
17 who is not prohibited from wagering on a sports event must provide
18 notice to the commission prior to placing a wager on a sports event.

19 (c) The direct or indirect legal or beneficial owner of ten
20 percent or more of a sports governing body or any of its member teams
21 may not place or accept any wager on a sports event in which any
22 member team of that sports governing body participates.

23 (2) The prohibition set forth in subsection (1) of this section
24 does not apply to any person who is a direct or indirect owner of a
25 specific sports governing body member team, and (a) the person has
26 less than ten percent direct or indirect ownership interest in a
27 casino or racetrack, or (b) the shares of such person are registered
28 pursuant to section 12 of the securities exchange act of 1934 (15
29 U.S.C. Sec. 781), as amended, and the value of the ownership of such
30 team represents less than one percent of the person's total
31 enterprise value.

32 (3) An operator must adopt procedures to prevent persons who are
33 prohibited from placing sports wagers from wagering on sports events.

34 (4) An operator may not accept wagers from any person whose
35 identity is known to the operator and:

36 (a) Whose name appears on any self-exclusion programs list
37 provided under RCW 9.46.071;

38 (b) Who is the operator, director, officer, owner, or employee of
39 the operator or any relative thereof living in the same household as
40 the operator;

1 (c) Who has access to nonpublic confidential information held by
2 the operator; or

3 (d) Who is an agent or proxy for any other person.

4 (5) An operator must adopt procedures to obtain personally
5 identifiable information from any individual who places any single
6 wager in an amount of ten thousand dollars or greater on a sports
7 event while physically present in a tribal casino, card room, or
8 racetrack complex.

9 NEW SECTION. **Sec. 7.** The tribal casino or sports wagering
10 licensee may contract with an entity to conduct the operation in
11 accordance with the rules adopted by the commission. That entity must
12 obtain a license as a casino service industry enterprise, in
13 accordance with the rules adopted by the commission, prior to the
14 execution of any contract.

15 NEW SECTION. **Sec. 8.** (1) An operator must promptly report to
16 the commission:

17 (a) (i) Any criminal or disciplinary proceedings commenced against
18 the operator or its employees in connection with the operations of
19 the sports pool or online sports pool; (ii) any abnormal betting
20 activity or patterns that may indicate a concern about the integrity
21 of a sports event or events; (iii) any other conduct with the
22 potential to corrupt a betting outcome of a sports event for purposes
23 of financial gain, including, but not limited to, match fixing; and

24 (b) Suspicious or illegal wagering activities, including the use
25 of funds derived from illegal activity, wagers to conceal or launder
26 funds derived from illegal activity, the use of agents to place
27 wagers, or the use of false identification.

28 (2) The commission is authorized to share any information under
29 this section with any law enforcement entity, team, sports governing
30 body, or regulatory agency the commission deems appropriate.

31 NEW SECTION. **Sec. 9.** An operator must maintain records of
32 sports wagering operations as specified by the commission.

33 NEW SECTION. **Sec. 10.** (1) A tribal casino or a sports wagering
34 licensee may, in addition to having a sports wagering lounge, conduct
35 wagering on authorized sports events through one or more kiosks or
36 self-service wagering stations located within its complex. The self-

1 service wagering stations may offer games authorized by the
2 commission.

3 (2) All wagers on sports events authorized under this chapter
4 must be initiated, received, and otherwise made within this state
5 unless otherwise determined by the commission in accordance with
6 applicable federal and state laws. Consistent with the intent of the
7 United States congress as articulated in the unlawful internet
8 gambling enforcement act of 2006, 31 U.S.C. Sec. 5361 et seq., the
9 intermediate routing of electronic data relating to a lawful
10 intrastate wager authorized under this chapter does not determine the
11 location or locations in which such wager is initiated, received, or
12 otherwise made.

13 NEW SECTION. **Sec. 11.** (1) Applicants for, and holders of, a
14 sports wagering license must be required to disclose the identity of
15 the following: (a) Each board-appointed officer of the applicant or
16 holder; (b) each director of the applicant or holder; (c) each person
17 who directly holds any voting or controlling interest of five percent
18 or more of the securities issued by such applicant or holder; (d)
19 each person who directly holds any nonvoting or passive ownership
20 interest of twenty-five percent or more of the securities issued by
21 such applicant or holder; and (e) each holding or intermediary
22 company of an applicant for, or holder of, an operator.

23 (2) As to each holding, intermediary, and subsidiary company or
24 entity of an applicant for, or holder of, a sports wagering license,
25 applicants and holders are required to establish and maintain the
26 qualifications of the following: (a) Each board-appointed officer of
27 the entity; (b) each director of the company or entity; (c) each
28 person who directly holds any voting or controlling interest of five
29 percent or more of the securities issued by such applicant or holder;
30 and (d) each person who directly holds any nonvoting or passive
31 ownership interest of twenty-five percent or more in the holding or
32 intermediary company.

33 NEW SECTION. **Sec. 12.** (1) All persons employed directly in
34 wagering-related activities conducted in a sports wagering lounge and
35 an online sports pool must be licensed as a sports wagering key
36 employee or registered as a sports wagering employee.

37 (2) All other employees who are working in the sports wagering
38 lounge may be required to be registered by the commission.

1 (3) Each operator must designate one or more sports wagering key
2 employees who are responsible for the operation of the sports pool.
3 At least one sports wagering key employee must be on the premises
4 whenever sports wagering is conducted.

5 NEW SECTION. **Sec. 13.** (1) Except as otherwise provided by this
6 chapter, the commission has the authority to regulate sports pools,
7 online sports pools, and the conduct of sports wagering under this
8 chapter.

9 (2) No tribal casino, card room, or racetrack may be authorized
10 to operate a sports pool or online sports pool unless it has
11 produced, to the satisfaction of the commission, information,
12 documentation, and assurances concerning its financial background and
13 resources, including cash reserves, that are sufficient to
14 demonstrate that it has the financial stability, integrity, and
15 responsibility to operate a sports pool or online sports pool.

16 (3) In developing and adopting rules applicable to sports
17 wagering, the commission may examine the regulations implemented in
18 other states where sports wagering is conducted and may, as far as
19 practicable, adopt a similar regulatory framework. The commission
20 will adopt rules necessary to carry out the provisions of this
21 chapter, including regulations governing the:

22 (a) Amount of cash reserves to be maintained by operators to
23 cover winning wagers;

24 (b) Acceptance of wagers on a series of sports events;

25 (c) Maximum wagers which may be accepted by an operator from any
26 one patron on any one sports event;

27 (d) Type of wagering tickets which may be used;

28 (e) Method of issuing tickets;

29 (f) Method of accounting to be used by operators;

30 (g) Types of records which must be kept;

31 (h) Use of credit and checks by patrons;

32 (i) Type of system for wagering;

33 (j) Protections for a person placing a wager; and

34 (k) Display of the words "If you or someone you know has a
35 gambling problem and wants help, call 1-800 GAMBLER," or some
36 comparable language approved by the commission, which language must
37 include the words "gambling problem" and "call 1-800 GAMBLER" in all
38 print, billboard, sign, online, or broadcast advertisements of a
39 sports pool, online sports pool, and sports wagering lounge.

1 NEW SECTION. **Sec. 14.** (1) Each operator must adopt
2 comprehensive house rules governing sports wagering transactions with
3 its patrons that must be approved by the commission.

4 (2) The rules must specify the amounts to be paid on winning
5 wagers and the effect of schedule changes.

6 (3) The house rules, together with any other information the
7 commission deems appropriate, must be conspicuously displayed in the
8 sports wagering lounge, posted on the operator's internet web site,
9 and included in the terms and conditions of the account wagering
10 system, and copies must be made readily available to patrons.

11 NEW SECTION. **Sec. 15.** Whenever a tribal casino and a sports
12 wagering licensee or two licensees enter into an agreement to jointly
13 establish a sports wagering lounge, and to operate and conduct sports
14 wagering under this chapter, the agreement must specify the
15 distribution of revenues from the joint sports wagering operation
16 among the parties to the agreement.

17 NEW SECTION. **Sec. 16.** (1) There is levied, and collected from
18 every tribal casino and sports wagering licensee in this state, a tax
19 in the amount of ten percent of the gaming revenue.

20 (2) Gaming revenue from sports wagering must be sourced to the
21 location where the bet is placed.

22 (3) Tribal casinos and sports wagering licensees subject to the
23 tax imposed by this chapter must report to the department of revenue
24 the amount of gaming revenue earned by location, identifying the
25 amount of gaming revenue received from wagers or bets placed on
26 tribal land, broken down by tribe, and the amount of gaming revenue
27 received in Washington outside tribal land. Taxes paid on gaming
28 revenue received from wagers or bets placed on tribal lands will be
29 remitted to the tribe on whose lands the bet was placed.

30 (4) The tax imposed by this chapter must be paid to, and
31 administered by, the department of revenue. The administration of the
32 tax is governed by the provisions of chapter 82.32 RCW.

33 (5) For purposes of this section, "gaming revenue" means the
34 total amount wagered less winnings paid out.

35 NEW SECTION. **Sec. 17.** If a patron does not claim a winning
36 sports pool wager within one year from the time of the event, the
37 obligation of the operator to pay the winnings expires and the

1 operator will retain fifty percent of the winnings and remit the
2 remaining fifty percent of the winnings to the problem gambling
3 account created in RCW 41.05.751. If the sports pool is jointly
4 operated, the operator must apportion the fifty percent of the
5 winnings pursuant to the terms of the parties' operation agreement.

6 NEW SECTION. **Sec. 18.** Wagers may be accepted or pooled with
7 wagers from persons who are not physically present in this state if
8 the commission determines that such wagering is not inconsistent with
9 federal law or the law of the jurisdiction, including any foreign
10 nation, in which any such person is located, or such wagering is
11 conducted pursuant to a reciprocal agreement to which the state is a
12 party that is not inconsistent with federal law.

13 NEW SECTION. **Sec. 19.** If any provision of this act or its
14 application to any person or circumstance is held invalid, the
15 remainder of the act or the application of the provision to other
16 persons or circumstances is not affected.

17 NEW SECTION. **Sec. 20.** A new section is added to chapter 82.04
18 RCW to read as follows:

19 This chapter does not apply to any person in respect to a
20 business activity with respect to which tax liability is specifically
21 imposed under chapter 9.--- RCW (the new chapter created in section
22 21 of this act).

23 NEW SECTION. **Sec. 21.** Sections 1 through 19 and 39 of this act
24 constitute a new chapter in Title 9 RCW.

25 **Sec. 22.** RCW 9.46.0335 and 1987 c 4 s 31 are each amended to
26 read as follows:

27 (1) The legislature ~~((hereby))~~ authorizes any person,
28 association, or organization to ~~((conduct sports pools without a
29 license to do so from the commission but only when the outcome of
30 which is dependent upon the score, or scores, of a certain athletic
31 contest and which is conducted only))~~ conduct sports boards in the
32 following manner:

33 ~~((1) A board or piece of paper is divided into one hundred equal
34 squares, each of which constitutes a chance to win in the sports pool~~

1 ~~and each of which is offered directly to prospective contestants at~~
2 ~~one dollar or less;~~

3 ~~(2))~~ (a) The purchaser of each chance or square signs his or her
4 name on the face of each square or chance he or she purchases; ~~((and~~

5 ~~(3))~~ (b) At some time not later than prior to the start of the
6 subject athletic contest, the ~~((pool))~~ sports board is closed and no
7 further chances in the ~~((pool))~~ sports board are sold;

8 ~~((4))~~ (c) After the ~~((pool))~~ sports board is closed, a
9 prospective score is assigned by random drawing to each square;

10 ~~((5))~~ (d) All money paid by entrants to enter the ~~((pool))~~
11 sports board less taxes is paid out as the prize or prizes to those
12 persons holding squares assigned the winning score or scores from the
13 subject athletic contest;

14 ~~((6))~~ (e) The sports ~~((pool))~~ board is available for inspection
15 by any person purchasing a chance thereon, the commission, or by any
16 law enforcement agency upon demand at all times prior to the payment
17 of the prize;

18 ~~((7))~~ (f) The person or organization conducting the ~~((pool))~~
19 sports board is conducting no ~~((other))~~ more than two sports ~~((pool))~~
20 boards on the same athletic event; and

21 ~~((8) The sports pool conforms))~~ (g) Sports boards must conform
22 to any rules and regulations of the commission ~~((applicable~~
23 ~~thereto))~~, including maximum wager limits set by the commission.

24 (2) For purposes of this section, "sports board" means a board or
25 piece of paper that is divided into one hundred equal squares, each
26 of which constitutes a chance to win in the sports pool and each of
27 which is offered directly to prospective contestants.

28 **Sec. 23.** RCW 9.46.070 and 2012 c 116 s 1 are each amended to
29 read as follows:

30 The commission shall have the following powers and duties:

31 (1) To authorize and issue licenses for a period not to exceed
32 one year to bona fide charitable or nonprofit organizations approved
33 by the commission meeting the requirements of this chapter and any
34 rules and regulations adopted pursuant thereto permitting said
35 organizations to conduct bingo games, raffles, amusement games, and
36 social card games, to utilize punchboards and pull-tabs in accordance
37 with the provisions of this chapter and any rules and regulations
38 adopted pursuant thereto, and to revoke or suspend said licenses for
39 violation of any provisions of this chapter or any rules and

1 regulations adopted pursuant thereto: PROVIDED, That the commission
2 shall not deny a license to an otherwise qualified applicant in an
3 effort to limit the number of licenses to be issued: PROVIDED
4 FURTHER, That the commission or director shall not issue, deny,
5 suspend, or revoke any license because of considerations of race,
6 sex, creed, color, or national origin: AND PROVIDED FURTHER, That the
7 commission may authorize the director to temporarily issue or suspend
8 licenses subject to final action by the commission;

9 (2) To authorize and issue licenses for a period not to exceed
10 one year to any person, association, or organization operating a
11 business primarily engaged in the selling of items of food or drink
12 for consumption on the premises, approved by the commission meeting
13 the requirements of this chapter and any rules and regulations
14 adopted pursuant thereto permitting said person, association, or
15 organization to utilize punchboards and pull-tabs ((and)) to conduct
16 social card games as a commercial stimulant in accordance with the
17 provisions of this chapter and any rules and regulations adopted
18 pursuant thereto _, and to revoke or suspend said licenses for
19 violation of any provisions of this chapter and any rules and
20 regulations adopted pursuant thereto: PROVIDED, That the commission
21 shall not deny a license to an otherwise qualified applicant in an
22 effort to limit the number of licenses to be issued: PROVIDED
23 FURTHER, That the commission may authorize the director to
24 temporarily issue or suspend licenses subject to final action by the
25 commission;

26 (3) ~~To authorize and issue licenses ((for a period not to exceed~~
27 ~~one year to any person, association, or organization approved by the~~
28 ~~commission meeting the requirements of this chapter and meeting the~~
29 ~~requirements of any rules and regulations adopted by the commission~~
30 ~~pursuant to this chapter as now or hereafter amended, permitting said~~
31 ~~person, association, or organization to conduct or operate amusement~~
32 ~~games in such manner and at such locations as the commission may~~
33 ~~determine. The commission may authorize the director to temporarily~~
34 ~~issue or suspend licenses subject to final action by the commission))~~
35 as provided in chapter 9.--- RCW (the new chapter created in section
36 21 of this act);

37 (4) To require any license holder to report suspicious activities
38 or irregular betting activities regarding type, scope, and manner, as
39 directed by the commission, and submit such reports as the commission
40 may deem necessary;

1 (5) To authorize, require, and issue, for a period not to exceed
2 one year, such licenses as the commission may by rule provide((7)) to
3 any person, association, or organization to engage in the
4 manufacturing, selling, distributing, or ((otherwise)) supplying ((or
5 in the manufacturing of devices for use within this state)) of
6 devices, equipment software, hardware, or any gambling-related
7 services for those activities authorized by this chapter. The
8 commission may authorize the director to temporarily issue or suspend
9 licenses subject to final action by the commission;

10 ((5)) (6) To establish a schedule of annual license fees for
11 carrying on specific gambling activities upon the premises, and for
12 such other activities as may be licensed by the commission, which
13 fees shall provide to the commission not less than an amount of money
14 adequate to cover all costs incurred by the commission relative to
15 licensing under this chapter and the enforcement by the commission of
16 the provisions of this chapter and rules and regulations adopted
17 pursuant thereto: PROVIDED, That all licensing fees shall be
18 submitted with an application therefor and such portion of said fee
19 as the commission may determine, based upon its cost of processing
20 and investigation, shall be retained by the commission upon the
21 withdrawal or denial of any such license application as its
22 reasonable expense for processing the application and investigation
23 into the granting thereof: PROVIDED FURTHER, That if in a particular
24 case the basic license fee established by the commission for a
25 particular class of license is less than the commission's actual
26 expenses to investigate that particular application, the commission
27 may at any time charge to that applicant such additional fees as are
28 necessary to pay the commission for those costs. The commission may
29 decline to proceed with its investigation and no license shall be
30 issued until the commission has been fully paid therefor by the
31 applicant: AND PROVIDED FURTHER, That the commission may establish
32 fees for the furnishing by it to licensees of identification stamps
33 to be affixed to such devices and equipment as required by the
34 commission and for such other special services or programs required
35 or offered by the commission, the amount of each of these fees to be
36 not less than is adequate to offset the cost to the commission of the
37 stamps and of administering their dispersal to licensees or the cost
38 of administering such other special services, requirements, or
39 programs;

1 (~~(6)~~) (7) To prescribe the manner and method of payment of
2 taxes, fees, and penalties to be paid to, or collected by, the
3 commission;

4 (~~(7)~~) (8) To require that applications for all licenses contain
5 such information as may be required by the commission: PROVIDED, That
6 all persons (a) having a managerial or ownership interest in any
7 gambling activity, or the building in which any gambling activity
8 occurs, or the equipment to be used for any gambling activity, (~~(e)~~)
9 (b) participating as an employee in the operation of any gambling
10 activity, or (c) participating as an employee in the operation or
11 management of providing gambling-related services for sports gambling
12 as provided in this chapter and chapter 9.--- RCW (the new chapter
13 created in section 21 of this act) shall be listed on the application
14 for the license, and the applicant shall certify on the application,
15 under oath, that the persons named on the application are all of the
16 persons known to have an interest in any gambling activity, building,
17 or equipment by the person making such application: PROVIDED FURTHER,
18 That the commission shall require fingerprinting and national
19 criminal history background checks on any persons seeking licenses,
20 certifications, or permits under this chapter or of any person
21 holding an interest in any gambling activity, building, or equipment
22 to be used therefor, or of any person participating as an employee in
23 the operation of any gambling activity. All national criminal history
24 background checks shall be conducted using fingerprints submitted to
25 the (~~(United States department of justice)~~) federal bureau of
26 investigation. The commission must establish rules to delineate which
27 persons named on the application are subject to national criminal
28 history background checks. In identifying these persons, the
29 commission must take into consideration the nature, character, size,
30 and scope of the gambling activities requested by the persons making
31 such applications;

32 (~~(8)~~) (9) To require that any license holder maintain records
33 as directed by the commission and submit such reports as the
34 commission may deem necessary;

35 (~~(9)~~) (10) To require that all income from bingo games,
36 raffles, and amusement games be recorded and reported as established
37 by rule or regulation of the commission to the extent deemed
38 necessary by considering the scope and character of the gambling
39 activity in such a manner that will disclose gross income from any
40 gambling activity, amounts received from each player, the nature and

1 value of prizes, and the fact of distributions of such prizes to the
2 winners thereof;

3 ~~((10))~~ (11) To regulate and establish maximum limitations on
4 income derived from bingo. In establishing limitations pursuant to
5 this subsection, the commission shall take into account (a) the
6 nature, character, and scope of the activities of the licensee; (b)
7 the source of all other income of the licensee; and (c) the
8 percentage or extent to which income derived from bingo is used for
9 charitable, as distinguished from nonprofit, purposes. However, the
10 commission's powers and duties granted by this subsection are
11 discretionary and not mandatory;

12 ~~((11))~~ (12) To regulate and establish the type ~~((and))~~ scope
13 of and manner of conducting the gambling activities authorized by
14 this chapter, including but not limited to, the extent of wager,
15 money, or other thing of value which may be wagered ~~((or))~~
16 contributed or won by a player in any such activities;

17 ~~((12))~~ (13) To regulate the collection of and the accounting
18 for the fee which may be imposed by an organization, corporation, or
19 person licensed to conduct a social card game on a person desiring to
20 become a player in a social card game in accordance with RCW
21 9.46.0282;

22 ~~((13))~~ (14) To cooperate with and secure the cooperation of
23 county, city, and other local or state agencies in investigating any
24 matter within the scope of its duties and responsibilities;

25 ~~((14))~~ (15) In accordance with RCW 9.46.080, to adopt such
26 rules and regulations as are deemed necessary to carry out the
27 purposes and provisions of this chapter. All rules and regulations
28 shall be adopted pursuant to the administrative procedure act,
29 chapter 34.05 RCW;

30 ~~((15))~~ (16) To set forth for the perusal of counties, city-
31 counties, or cities and towns ~~((r))~~ model ordinances by which any
32 legislative authority thereof may enter into the taxing of any
33 gambling activity authorized by this chapter;

34 ~~((16))~~ (17)(a) To establish and regulate a maximum limit on
35 salaries or wages which may be paid to persons employed in connection
36 with activities conducted by bona fide charitable or nonprofit
37 organizations and authorized by this chapter, where payment of such
38 persons is allowed, and to regulate and establish maximum limits for
39 other expenses in connection with such authorized activities,
40 including but not limited to, rent or lease payments. However, the

1 commissioner's powers and duties granted by this subsection are
2 discretionary and not mandatory.

3 (b) In establishing these maximum limits the commission shall
4 take into account the amount of income received, or expected to be
5 received, from the class of activities to which the limits will apply
6 and the amount of money the games could generate for authorized
7 charitable or nonprofit purposes absent such expenses. The commission
8 may also take into account, in its discretion, other factors,
9 including, but not limited to, the local prevailing wage scale and
10 whether charitable purposes are benefited by the activities;

11 ~~((17))~~ (18) To authorize, require, and issue for a period not
12 to exceed one year such licenses or permits, for which the commission
13 may by rule provide, to any person to work for any operator of any
14 gambling activity authorized by this chapter in connection with that
15 activity, or any manufacturer, supplier, or distributor of devices
16 for those activities in connection with such business. The commission
17 may authorize the director to temporarily issue or suspend licenses
18 subject to final action by the commission. The commission shall not
19 require that persons working solely as volunteers in an authorized
20 activity conducted by a bona fide charitable or bona fide nonprofit
21 organization, who receive no compensation of any kind for any purpose
22 from that organization, and who have no managerial or supervisory
23 responsibility in connection with that activity, be licensed to do
24 such work. The commission may require that licensees employing such
25 unlicensed volunteers submit to the commission periodically a list of
26 the names, addresses, and dates of birth of the volunteers. If any
27 volunteer is not approved by the commission, the commission may
28 require that the licensee not allow that person to work in connection
29 with the licensed activity;

30 ~~((18))~~ (19) To publish and make available at the office of the
31 commission or elsewhere to anyone requesting it a list of the
32 commission licensees, including the name, address, type of license,
33 and license number of each licensee;

34 ~~((19))~~ (20) To establish guidelines for determining what
35 constitutes active membership in bona fide nonprofit or charitable
36 organizations for the purposes of this chapter;

37 ~~((20))~~ (21) To renew the license of every person who applies
38 for renewal within six months after being honorably discharged,
39 removed, or released from active military service in the armed forces
40 of the United States upon payment of the renewal fee applicable to

1 the license period, if there is no cause for denial, suspension, or
2 revocation of the license;

3 ~~((21))~~ (22) To issue licenses under subsections (1) through (4)
4 of this section that are valid for a period of up to eighteen months,
5 if it chooses to do so, in order to transition to the use of the
6 business licensing services program through the department of
7 revenue; and

8 ~~((22))~~ (23) To perform all other matters and things necessary
9 to carry out the purposes and provisions of this chapter.

10 **Sec. 24.** RCW 9.46.130 and 2011 c 336 s 303 are each amended to
11 read as follows:

12 The premises and paraphernalia, and all the books ~~((and))~~
13 records, databases, hardware, software, or any other electronic data
14 storage device of any person, association, or organization conducting
15 gambling activities authorized under this chapter and any person,
16 association, or organization receiving profits therefrom or having
17 any interest therein shall be subject to inspection and audit at any
18 reasonable time, with or without notice, upon demand, by the
19 commission or its designee, the attorney general or his or her
20 designee, the chief of the Washington state patrol or his or her
21 designee or the prosecuting attorney, sheriff, or director of public
22 safety or their designees of the county wherein located, or the chief
23 of police or his or her designee of any city or town in which said
24 organization is located, for the purpose of determining compliance or
25 noncompliance with the provisions of this chapter and any rules or
26 regulations or local ordinances adopted pursuant thereto, or any
27 federal or state law. A reasonable time for the purpose of this
28 section shall be: (1) If the items or records to be inspected or
29 audited are located anywhere upon a premises, any portion of which is
30 regularly open to the public or members and guests, then at any time
31 when the premises are so open ~~((r))~~ or at which they are usually open;
32 or (2) if the items or records to be inspected or audited are not
33 located upon a premises set out in subsection (1) of this section,
34 then any time between the hours of 8:00 a.m. and 9:00 p.m., Monday
35 through Friday.

36 The commission shall be provided at such reasonable intervals as
37 the commission shall determine with a report, under oath, detailing
38 all receipts and disbursements in connection with such gambling
39 activities, together with such other reasonable information as

1 required in order to determine whether such activities comply with
2 the purposes of this chapter or any local ordinances relating
3 thereto.

4 **Sec. 25.** RCW 9.46.153 and 1981 c 139 s 14 are each amended to
5 read as follows:

6 (1) It shall be the affirmative responsibility of each applicant
7 and licensee to establish by clear and convincing evidence the
8 necessary qualifications for licensure of each person required to be
9 qualified under this chapter, as well as the qualifications of the
10 facility in which the licensed activity will be conducted;

11 (2) All applicants and licensees shall consent to inspections,
12 searches and seizures, and the supplying of handwriting examples as
13 authorized by this chapter and rules adopted hereunder;

14 (3) All licensees, and persons having any interest in licensees,
15 including, but not limited to, employees and agents of licensees, and
16 other persons required to be qualified under this chapter or rules of
17 the commission shall have a duty to inform the commission or its
18 staff of any action or omission which they believe would constitute a
19 violation of this chapter or rules adopted pursuant thereto, or a
20 violation of state or federal law. No person who so informs the
21 commission or the staff shall be discriminated against by an
22 applicant or licensee because of the supplying of such information;

23 (4) All applicants, licensees, persons who are operators or
24 directors thereof, and persons who otherwise have a substantial
25 interest therein shall have the continuing duty to provide any
26 assistance or information required or requested by the commission and
27 to investigations conducted by the commission. If, upon issuance of a
28 formal request to answer or produce information, evidence, or
29 testimony, any applicant, licensee or officer or director thereof, or
30 person with a substantial interest therein, refuses to comply, the
31 applicant or licensee may be denied or revoked by the commission;

32 (5) All applicants and licensees shall waive any and all
33 liability as to the state of Washington, its agencies, employees, and
34 agents for any damages resulting from any disclosure or publication
35 in any manner, other than a ~~((wilfully))~~ willfully unlawful
36 disclosure or publication, of any information acquired by the
37 commission during its licensing ~~((or))~~, other investigations ~~((or))~~,
38 inquiries, or hearings;

1 (6) Each applicant or licensee may be photographed for
2 investigative and identification purposes in accordance with the
3 rules of the commission;

4 (7) An application to receive a license under this chapter or
5 rules adopted pursuant thereto constitutes a request for a
6 determination of the applicant's, and those person's with an interest
7 in the applicant, general character, integrity, and ability to engage
8 or participate in, or be associated with, gambling or related
9 activities impacting this state. Any written or oral statement made
10 in the course of an official investigation, proceeding, or process of
11 the commission by any member, employee, or agent thereof, or by any
12 witness, testifying under oath, which is relevant to the
13 investigation, proceeding, or process, is absolutely privileged and
14 shall not impose any liability for slander, libel, or defamation, or
15 constitute any grounds for recovery in any civil action.

16 **Sec. 26.** RCW 9.46.155 and 2003 c 53 s 34 are each amended to
17 read as follows:

18 (1) No (~~(applicant or licensee)~~) person shall give or provide, or
19 offer to give or provide, directly or indirectly, to any public
20 official (~~(or)~~), employee, or agent of this state, or any of its
21 agencies or political subdivisions, any compensation or reward, or
22 share of the money or property paid or received through gambling
23 activities, in consideration for obtaining any license,
24 authorization, permission, or privilege to participate in any gaming
25 operations except as authorized by this chapter or rules adopted
26 pursuant thereto.

27 (2) (~~(Violation)~~) No person shall give or provide, or attempt to
28 give or provide, directly or indirectly, any compensation, reward, or
29 thing of value to a sporting event participant, including an athlete,
30 coach, referee, official, medical staff, team, school, league
31 official or employee, or anyone else having actual or potential
32 influence over a sporting event, to influence or require the sporting
33 event participant to manipulate a game or contest as prohibited in
34 chapter 67.04 RCW, or provide confidential or insider information
35 with the intent to use the information to gain an advantage in a
36 gambling activity.

37 (3) Unless otherwise provided in another title or section,
38 violation of this section is a class C felony for which a person,
39 upon conviction, shall be punished by imprisonment for not more than

1 five years or a fine of not more than one hundred thousand dollars,
2 or both.

3 **Sec. 27.** RCW 9.46.190 and 1991 c 261 s 7 are each amended to
4 read as follows:

5 Any person (~~(or)~~) an association or organization operating any
6 gambling activity who or which, directly or indirectly, shall in the
7 course of such operation:

8 (1) Employ any device, scheme, or artifice to defraud; or

9 (2) Make any untrue statement of a material fact, or omit to
10 state a material fact necessary in order to make the statement made
11 not misleading, in the light of the circumstances under which said
12 statement is made; or

13 (3) Engage in any act, practice, or course of operation as would
14 operate as a fraud or deceit upon any person; or

15 (4) Alter or misrepresent the outcome of a game or other event on
16 which wagers have been made after the outcome is made sure, but
17 before it is revealed to the players; or

18 (5) Place, increase, or decrease a bet, or determine the course
19 of play after acquiring knowledge, not available to all players, of
20 the outcome of the game or any event that affects the outcome of the
21 game or which is the subject of the bet, or aid anyone in acquiring
22 such knowledge for the purpose of placing, increasing, or decreasing
23 a bet, or determining the course of play contingent upon that event
24 or outcome; or

25 (6) Claim, collect, or take, or attempt to claim, collect, or
26 take money or anything of value in or from a gambling game, with
27 intent to defraud, without having made a wager contingent thereon, or
28 to claim, collect, or take an amount greater than the amount won; or

29 (7) Knowingly entice or induce another to go to any place where a
30 gambling game is being conducted or operated in violation of this
31 chapter, with the intent that the other person play or participate in
32 that gambling game; or

33 (8) Place or increase a bet after acquiring knowledge of the
34 outcome of the game or other event which is the subject of the bet,
35 including past-posting and pressing bets; or

36 (9) Reduce the amount wagered or cancel the bet after acquiring
37 knowledge of the outcome of the game or other event which is the
38 subject of the bet, including pinching bets; or

1 (10) Manipulate, with the intent to cheat, any component of a
2 gaming device in a manner contrary to the designed and normal
3 operational purpose for the component, including, but not limited to,
4 varying the pull of the handle of a slot machine, with knowledge that
5 the manipulation affects the outcome of the game or with knowledge of
6 any event that affects the outcome of the game; or

7 (11) Offer, promise, or give anything of value to anyone for the
8 purpose of influencing the outcome of a race, sporting event,
9 contest, or game upon which a wager may be made, or place, increase,
10 or decrease a wager after acquiring knowledge, not available to the
11 general public, that anyone has been offered, promised, or given
12 anything of value for the purpose of influencing the outcome of the
13 race, sporting event, contest, or game upon which the wager is
14 placed, increased, or decreased; or

15 (12) Change or alter the normal outcome of any game played on an
16 interactive gaming system or a mobile gaming system or the way in
17 which the outcome is reported to any participant in the game;

18 Shall be guilty of a (~~gross misdemeanor~~) class C felony subject
19 to the penalty set forth in RCW 9A.20.021.

20 **Sec. 28.** RCW 9.46.210 and 2000 c 46 s 1 are each amended to read
21 as follows:

22 (1) It shall be the duty of all peace officers, law enforcement
23 officers, and law enforcement agencies within this state to
24 investigate, enforce, and prosecute all violations of this chapter.

25 (2) In addition to the authority granted by subsection (1) of
26 this section, law enforcement agencies of cities and counties shall
27 investigate and report to the commission all violations of the
28 provisions of this chapter and of the rules of the commission found
29 by them and shall assist the commission in any of its investigations
30 and proceedings respecting any such violations. Such law enforcement
31 agencies shall not be deemed agents of the commission.

32 (3) In addition to its other powers and duties, the commission
33 shall have the power to enforce the penal provisions of (~~chapter~~
34 ~~218, Laws of 1973 1st ex. sess.~~) chapters 9.46 and 9.--- RCW (the
35 new chapter created in section 21 of this act) and as it may be
36 amended, and the penal laws of this state relating to the conduct of,
37 or participation in, gambling activities, including chapter 9A.83
38 RCW, and the manufacturing, importation, transportation,
39 distribution, possession, and sale of equipment or paraphernalia used

1 or for use in connection therewith. The director, the deputy
2 director, both assistant directors, and each of the commission's
3 investigators, enforcement officers, and inspectors shall have the
4 power, under the supervision of the commission, to enforce the penal
5 provisions of (~~chapter 218, Laws of 1973 1st ex. sess.~~) chapters
6 9.46 and 9.--- RCW (the new chapter created in section 21 of this
7 act) and as it may be amended, and the penal laws of this state
8 relating to the conduct of, or participation in, gambling activities,
9 including chapter 9A.83 RCW, and the manufacturing, importation,
10 transportation, distribution, possession, and sale of equipment or
11 paraphernalia used or for use in connection therewith. They shall
12 have the power and authority to apply for and execute all warrants
13 and serve process of law issued by the courts in enforcing the penal
14 provisions of (~~chapter 218, Laws of 1973 1st ex. sess.~~) chapters
15 9.46 and 9.--- RCW (the new chapter created in section 21 of this
16 act) and as it may be amended, and the penal laws of this state
17 relating to the conduct of, or participation in, gambling activities,
18 including chapter 9A.83 RCW, and the manufacturing, importation,
19 transportation, distribution, possession, and sale of equipment or
20 paraphernalia used or for use in connection therewith. They shall
21 have the power to arrest without a warrant(~~(7)~~) any person or persons
22 found in the act of violating any of the penal provisions of
23 (~~chapter 218, Laws of 1973 1st ex. sess.~~) chapters 9.46 and 9.---
24 RCW (the new chapter created in section 21 of this act) and as it may
25 be amended, and the penal laws of this state relating to the conduct
26 of, or participation in, gambling activities, including chapter 9A.83
27 RCW, and the manufacturing, importation, transportation,
28 distribution, possession, and sale of equipment or paraphernalia used
29 or for use in connection therewith. To the extent set forth above,
30 the commission shall be a law enforcement agency of this state with
31 the power to investigate for violations of, and to enforce, the
32 provisions of this chapter, as now law or hereafter amended, and to
33 obtain information from, and provide information to, all other law
34 enforcement agencies.

35 (4) Criminal history record information that includes
36 nonconviction data, as defined in RCW 10.97.030, may be disseminated
37 by a criminal justice agency to the Washington state gambling
38 commission for any purpose associated with the investigation for
39 suitability for involvement in gambling activities authorized under
40 this chapter. The Washington state gambling commission shall only

1 disseminate nonconviction data obtained under this section to
2 criminal justice agencies.

3 (5) In addition to its other powers and duties, the commission
4 shall have the power to:

5 (a) Establish a sports integrity unit to prevent and detect
6 competition manipulation through education and enforcement of the
7 penal provisions of chapters 9.46 and 9.--- RCW (the new chapter
8 created in section 21 of this act), chapter 67.04 RCW, or any other
9 state penal laws needed to protect the integrity of amateur and
10 professional sporting events and contests within the state; and

11 (b) Track and monitor gambling-related transactions occurring
12 within the state and require any reporting as needed.

13 **Sec. 29.** RCW 9.46.220 and 1997 c 78 s 2 are each amended to read
14 as follows:

15 (1) A person is guilty of professional gambling in the first
16 degree if he or she engages in, or knowingly causes, aids, abets, or
17 conspires with another to engage in, professional gambling as defined
18 in this chapter, and:

19 (a) Acts in concert with or conspires with five or more people;
20 or

21 (b) Personally accepts wagers exceeding five thousand dollars
22 during any thirty-day period on future contingent events; or

23 (c) The operation for whom the person works, or with which the
24 person is involved, accepts wagers exceeding five thousand dollars
25 during any thirty-day period on future contingent events; or

26 (d) Operates, manages, or profits from the operation of a
27 premises or location where persons are charged a fee to participate
28 in card games, lotteries, or other gambling activities that are not
29 authorized by this chapter or licensed by the commission; or

30 (e) Engages in bookmaking as defined in RCW 9.46.0213.

31 (2) However, this section shall not apply to those activities
32 enumerated in RCW 9.46.0305 through 9.46.0361 or to any act or acts
33 in furtherance of such activities when conducted in compliance with
34 the provisions of this chapter and in accordance with the rules
35 adopted pursuant to this chapter.

36 (3) Professional gambling in the first degree is a class B felony
37 subject to the penalty set forth in RCW 9A.20.021.

1 **Sec. 30.** RCW 9.46.240 and 2006 c 290 s 2 are each amended to
2 read as follows:

3 (1) Whoever knowingly transmits or receives gambling information
4 by telephone, telegraph, radio, semaphore, the internet, a
5 telecommunications transmission system, or similar means, or
6 knowingly installs or maintains equipment for the transmission or
7 receipt of gambling information shall be guilty of a class C felony
8 subject to the penalty set forth in RCW 9A.20.021. ((However, this))

9 (2) This section shall not apply to such information transmitted
10 or received, or equipment or devices installed or maintained,
11 relating to activities authorized by this chapter, chapter 9.--- RCW
12 (the new chapter created in section 21 of this act), or to any act or
13 acts in furtherance thereof when conducted in compliance with the
14 provisions of this chapter ((and)), in accordance with the rules
15 adopted under this chapter, and consistent with tribal-state gambling
16 compacts.

17 **Sec. 31.** RCW 67.04.010 and 2012 c 117 s 294 are each amended to
18 read as follows:

19 Any person who shall bribe or offer to bribe((~~r~~)) any ((~~baseball~~
20 ~~player~~)) sporting event participant, including an athlete, coach,
21 referee, official, medical staff, or anyone else having actual or
22 potential influence over a sporting event, with the intent to
23 influence ((his or her play, action, or conduct in any baseball
24 game)) the outcome of a play, game, match, or event, or any person
25 who shall bribe or offer to bribe any ((umpire of a baseball game,
26 with intent to influence him or her to make a wrong decision or to
27 bias his or her opinion or judgment in relation to any baseball game
28 or any play occurring therein, or any person who shall bribe or offer
29 to bribe any manager, or other official of a baseball club, league,
30 or association, by whatsoever name called, conducting said game of
31 baseball to throw or lose a game of baseball)) team, school, or
32 league official or employee to obtain confidential or insider
33 information on a player, team, or coach with the intent to violate a
34 section of this act or use the information to gain a gambling
35 advantage in violation of chapters 9.46 and 9.--- RCW (the new
36 chapter created in section 21 of this act), shall be guilty of a
37 ((gross misdemeanor)) class B felony.

1 **Sec. 32.** RCW 67.04.020 and 2012 c 117 s 295 are each amended to
2 read as follows:

3 Any (~~baseball player~~) sporting event athlete, player, or
4 participant who shall accept or agree to accept((~~r~~)) a bribe offered
5 for the purpose of wrongfully influencing his or her play, action,
6 decision making, or conduct in any (~~baseball game~~) sporting event,
7 or any umpire (~~of a baseball game~~), official, referee, or any other
8 person responsible for implementing game or event rules and scoring
9 who shall accept or agree to accept a bribe offered for the purpose
10 of influencing him or her to make a wrong decisibn, or biasing his or
11 her opinions, rulings, or judgment with regard to any play, or any
12 (~~manager of a baseball club, or club~~) person, including an owner,
13 manager, coach, medical staff, official, employee of a team,
14 organization, or league official, who shall accept((~~r~~)) or agree to
15 accept((~~r~~)) any bribe offered for the purpose of inducing him or her
16 to manipulate a game or contest, including to lose or cause to be
17 lost any (~~baseball~~) game or contest, as set forth in RCW 67.04.010,
18 shall be guilty of a (~~gross misdemeanor~~) class C felony.

19 **Sec. 33.** RCW 67.04.030 and 2012 c 117 s 296 are each amended to
20 read as follows:

21 To complete the offenses mentioned in RCW 67.04.010 and
22 67.04.020, it shall not be necessary that (~~the baseball~~) a player,
23 manager, umpire, (~~or~~) official, or anyone else having actual or
24 potential influence over a sporting event shall, at the time, have
25 been actually employed, selected, or appointed to perform his or her
26 respective duties; it shall be sufficient if the bribe be offered,
27 accepted, or agreed to with the view of probable employment,
28 selection, or appointment of the person to whom the bribe is offered,
29 or by whom it is accepted. Neither shall it be necessary that such
30 (~~baseball~~) player, umpire, (~~or~~) manager, official, or anyone else
31 having actual or potential influence over a sporting event actually
32 play or participate in a game or games concerning which said bribe is
33 offered or accepted; it shall be sufficient if the bribe be given,
34 offered, or accepted in view of his or her possibly participating
35 therein.

36 **Sec. 34.** RCW 67.04.040 and 2012 c 117 s 297 are each amended to
37 read as follows:

1 By a "bribe" as used in RCW 67.04.010 through 67.04.080, is meant
2 any gift, emolument, money or thing of value, testimonial, privilege,
3 appointment, or personal advantage, or the promise of either,
4 bestowed or promised for the purpose of influencing, directly or
5 indirectly, any (~~baseball~~) player, manager, umpire, club or league
6 official, or anyone else having actual or potential influence over a
7 sporting event to see which game an admission fee may be charged, or
8 in which game of (~~baseball~~) any player, manager, (~~or~~) umpire,
9 official, or anyone else having actual or potential influence over a
10 sporting event is paid any compensation for his or her services. Said
11 bribe as defined in RCW 67.04.010 through 67.04.080 need not be
12 direct; it may be such as is hidden under the semblance of a sale,
13 bet, wager, payment of a debt, or in any other manner designed to
14 cover the true intention of the parties.

15 **Sec. 35.** RCW 67.04.050 and 2012 c 117 s 298 are each amended to
16 read as follows:

17 Any (~~baseball~~) player, manager, umpire, referee, official, or
18 club or league (~~official~~) employee who shall commit any willful act
19 of omission or commission in playing, or directing the playing, of a
20 (~~baseball~~) game, sporting event, or contest, with intent to
21 (~~cause~~) manipulate a sporting event, including causing the (~~ball~~
22 ~~club~~) team, with which he or she is affiliated, to lose a
23 (~~baseball~~) game or event; or any umpire, referee, or official
24 officiating in a (~~baseball~~) game or event, or any club or league
25 (~~official~~) employee who shall commit any willful act connected with
26 his or her official duties for the purpose and with the intent to
27 (~~cause~~) manipulate a sporting event, including causing a (~~baseball~~
28 ~~club~~) team to win or lose a (~~baseball~~) game or event, which it
29 would not otherwise have won or lost under the rules governing the
30 playing of said game, shall be guilty of a (~~gross misdemeanor~~)
31 class C felony.

32 **Sec. 36.** RCW 67.04.060 and 1921 c 181 s 6 are each amended to
33 read as follows:

34 In all prosecutions under RCW 67.04.010 through 67.04.080, the
35 venue may be laid in any county where the bribe herein referred to
36 was given, offered or accepted, or in which the (~~baseball game~~)
37 sporting event or contest was played in relation to which the bribe

1 was offered, given or accepted, or the acts referred to in RCW
2 67.04.050 committed.

3 **Sec. 37.** RCW 67.04.070 and 2012 c 117 s 299 are each amended to
4 read as follows:

5 Nothing in RCW 67.04.010 through 67.04.080 shall be construed to
6 prohibit the giving or offering of any bonus or extra compensation to
7 any manager (~~(or baseball)~~), player, coach, or other persons
8 connected with a collegiate or professional team, organization, or
9 league by any person to encourage such manager or player to a higher
10 degree of skill, ability, or diligence in the performance of his or
11 her duties.

12 **Sec. 38.** RCW 67.04.080 and 1921 c 181 s 8 are each amended to
13 read as follows:

14 RCW 67.04.010 through 67.04.080 shall apply only to (~~baseball~~
15 ~~league and club officials~~) sporting event leagues, teams, players,
16 referees, umpires, managers ((and players)), or anyone else having
17 actual or potential influence over a sporting event who act in
18 (~~such~~) their official capacity in (~~games~~) sporting events or
19 contests where the public is generally invited to attend and (~~a~~
20 ~~general admission~~) an entrance fee is charged.

21 NEW SECTION. **Sec. 39.** Sports wagering lounges at which a sports
22 pool is operated are a permitted use in all commercial, retail,
23 industrial, nonresidential, and mixed-use zoning districts of a
24 municipality.

25 NEW SECTION. **Sec. 40.** RCW 67.24.010 is recodified as a section
26 in chapter 67.04 RCW.

27 NEW SECTION. **Sec. 41.** RCW 67.24.020 (Scope of 1945 c 107) and
28 1945 c 107 s 2 are each repealed.

--- END ---

HOUSE BILL REPORT

HB 2638

As Reported by House Committee On:
Commerce & Gaming

Title: An act relating to authorizing sports wagering subject to the terms of tribal-state gaming compacts.

Brief Description: Authorizing sports wagering subject to the terms of tribal-state gaming compacts.

Sponsors: Representatives Peterson, MacEwen, Stonier, Harris, Robinson, Young, Ortiz-Self, Stokesbary, Tharinger, Walsh, Riccelli, Appleton, Griffey, Hansen, Kloba, Lekanoff, Sells, Chapman, Gregerson and Ramel.

Brief History:

Committee Activity:

Commerce & Gaming: 1/27/20, 1/30/20 [DPS].

Brief Summary of Substitute Bill

- Authorizes the amendment of tribal-state gaming compacts, upon a tribe's request, to allow sports wagering at the tribe's facility when conducted pursuant to the terms of negotiated tribal-state gaming compacts.
- Amends and adds to the powers and duties of the Gambling Commission, including related to licensing, inspections and audits, the filing of suspicious activity and betting reports, and ensuring sports integrity.
- Establishes new crimes and amends existing crimes in the Gambling Act.

HOUSE COMMITTEE ON COMMERCE & GAMING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Peterson, Chair; Kloba, Vice Chair; Chambers, Assistant Ranking Minority Member; Blake, Kirby, Morgan, Ramel and Young.

Minority Report: Do not pass. Signed by 1 member: Representative Vick.

Minority Report: Without recommendation. Signed by 1 member: Representative Jenkin.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Staff: Peter Clodfelter (786-7127).

Background:

In May 2018, in the case of *Murphy v. National Collegiate Athletic Association*, the United States Supreme Court ruled that the federal Professional and Amateur Sports Protection Act (1992) violates the Tenth Amendment to the United States Constitution by prohibiting states from authorizing sports betting. In the wake of this court decision ending the decades-long federal ban on sports betting, states throughout the country are examining their laws and policies pertaining to betting on sporting events.

The federal Indian Gaming Regulatory Act (1988) (IGRA) affirmed tribal gaming rights and provides a framework for Indian tribes and states to negotiate, on a government-to-government basis, for how class III gaming will be conducted within a state and on tribal lands. Types of gaming are separated into three classes under IGRA. Class III gaming is casino-style gaming including lotteries, roulette, and house-banked card games such as blackjack and baccarat. Whereas tribes and the state negotiate regarding Class III gaming and how it will be authorized and regulated, Class I and II gaming is regulated by tribes only. Class I gaming includes social games for prizes of minimal value or traditional forms of Indian gaming engaged in by individuals in connection with tribal ceremonies or celebrations. Class II gaming includes bingo and certain non-house-banked card games.

In Washington, the Gambling Commission (Commission) negotiates compacts for Class III gaming with federally recognized Indian tribes. There are 29 federally recognized Indian tribes in Washington, all of whom have a gaming compact with the state. When a tentative agreement on a proposed compact is reached, the Director of the Commission (Director) transmits a copy to all voting and ex officio members of the Commission and to the appropriate standing committees of the Legislature. Additionally, within 30 days after receiving a proposed compact from the Director, one standing committee from each house of the Legislature holds a public hearing on the proposed compact and forwards its respective comments to the Commission.

The Commission may also hold public hearings on the proposed compact any time after receiving a copy of the compact from the Director. Within 45 days after receiving the proposed compact from the Director, the Commission, including the four ex officio members, votes on whether to return the proposed compact to the Director with instructions for further negotiation or to forward the proposed compact to the Governor for review and final execution. If the Director forwards a proposed compact to the Commission and the designated standing committees within 10 days before the beginning of a regular session of the Legislature, or during a regular or special session of the legislature, the 30-day time limit and the 45-day limit are each 45 days and 60 days, respectively.

Summary of Substitute Bill:

Upon the request of a federally recognized Indian tribe, the tribe's class III gaming compact may be amended pursuant to the Indian Gaming Regulatory Act and state law to authorize

the tribe to conduct and operate sports wagering on federal Indian lands. The compact amendment must address topics including licensing, fees associated with the Gambling Commission's (Commission) regulation of sports wagering, how sports wagering will be conducted, operated, and regulated, issues related to criminal enforcement, money laundering, sport integrity, information sharing between the tribe and Commission, and responsible and problem gambling.

Gambling information may be transmitted over the Internet for any sports wagering conducted and operated under the new authorization, provided that a wager may be placed and accepted at a tribe's gaming facility only while the customer placing the wager is physically present on the premises of that tribe's gaming facility.

"Sports wagering" is defined as the business of accepting wagers on any of the following sporting events, athletic events, or competitions:

- a professional sport or athletic event;
- a collegiate sport or athletic event;
- an Olympic or international sports competition or event;
- an electronic sports or esports competition or event;
- a combination of the above sporting events, athletic events, or competitions; and
- a portion of any of the above sporting events, athletic events, or competitions.

The term "collegiate sport or athletic event" is a sport or athletic event offered or sponsored by, or played in connection with, a public or private institution offering education services beyond the secondary level, other than an institution located within Washington. The term "electronic or esports event" is a live event or tournament attended or watched by members of the public where games or matches are contested in real time by players and teams, and players or teams can win a prize based on their performance in the live event or tournament. The term "professional sport or athletic event" is an event that is not a collegiate sport or athletic event at which two or more persons participate in sports or athletic events and receive compensation in excess of actual expenses for their participation in the event.

The existing authority of the Commission to authorize and require licensure of those who engage in the selling, distributing, or supplying of gambling devices for use in Washington is amended to add "manufacturing" to the activities and to add "equipment, software, hardware, or any gambling-related services" to the things within the commission's licensing authority. Also, a person participating as an employee in the operation, management, or provision of gambling-related services for sports wagering is added as a person who must be listed on the application for a gambling license. Additionally, the Commission may adopt rules related to licensing those who engage in any authorized sports wagering-related activities. It is provided that existing criminal money laundering statutes are included in the types of penal laws relating to gambling activities the Commission has authority to enforce.

Databases, hardware, software, and any other electronic data storage device are added to the things subject to inspection and audit by the Commission and law enforcement when owned by a person conducting, profiting from, or having an interest in authorized gambling. Also, compliance with federal and state laws is added to the scope of inspections and audits by the Commission. The Commission may require the submission of reports on suspicious activities or irregular betting activities to effectively identify players, wagering information,

and suspicious and illegal transactions. The Commission may also ensure sport integrity and prevent and detect competition manipulation through education and enforcement of applicable laws. The Commission may track and monitor gambling-related transactions occurring within Washington to aid in its enforcement of applicable laws, including the use of funds derived from illegal activity, wagers to conceal or launder funds derived from illegal activity, use of agents to place wagers, or use of false identification by a player.

The following new class C felony criminal prohibitions are added to the Gambling Act:

- No person may offer, promise, give, or attempt to give any thing of value to any person for the purpose of influencing the outcome of a sporting event, athletic event, or competition upon which a wager may be made.
- No person may place, increase, or decrease a wager after acquiring knowledge unavailable to the general public that anyone has been offered, promised, or given any thing of value for the purpose of influencing the outcome of a sporting event, athletic event, or competition upon which the wager is placed, increased, or decreased.
- No person may offer, promise, give, or attempt to give any thing of value to obtain confidential or insider information not available to the public with intent to use the information to gain a wagering advantage on a sporting event or competition.
- No person may accept or agree to accept any thing of value for the purpose of wrongfully influencing his or her play, action, decision making, or conduct in any sporting event, athletic event, or competition upon which a wager may be made.

New criminal prohibitions are also added applicable to those who operate any gambling activity. A person, association, or organization may not, directly or indirectly, do the following in the course of operating the gambling activity:

- alter or misrepresent the outcome of a game or event on which wagers have been made after the outcome is made sure but before it is revealed to the players;
- place, increase, or decrease a bet or determine the course of play after acquiring knowledge, not available to all players, of the outcome of the game or any event that affects the outcome of the game or which is the subject of the bet or to aid anyone in acquiring such knowledge for the purpose of placing, increasing, or decreasing a bet or determining the course of play contingent upon that event or outcome;
- knowingly entice or induce another person to go to any place where a gambling activity is being conducted or operated in violation of the Gambling Act, with the intent that the other person play or participate in that gambling activity;
- place or increase a bet after acquiring knowledge of the outcome of the game or other event that is the subject of the bet;
- reduce the amount wagered or cancel the bet after acquiring knowledge of the outcome of the game or event that is the subject of the bet.

All the above new prohibitions are class C felonies. The existing gross misdemeanor crime of a person operating a gambling activity and employing a device or scheme to defraud another person is changed to a class C felony. Engaging in bookmaking is added to the existing crime of Professional Gambling in the First Degree.

By December 1 of the year following any authorization by the Legislature of a new gambling activity, any report by the Commission to the Governor and the appropriate committees of

the Legislature submitted pursuant to an existing reporting duty must include information on the state of the gambling industry both within Washington and nationwide.

Substitute Bill Compared to Original Bill:

The substitute bill makes the following changes to the original bill:

- identifies additional provisions for inclusion in a tribal-state gaming compact amendment on sports wagering and provides that the state may (not must) agree to a compact amendment;
- authorizes the Gambling Commission (Commission) to license those who engage in sports wagering-related services for use within Washington. Adds a person participating as an employee in the operation, management, or provision of gambling-related services for sports wagering as a person who must be listed on the application for a gambling license;
- eliminates the proposed duty of the Commission to provide an opportunity to comment to professional and college sports teams and leagues in the adoption of sports wagering-related rules;
- adds databases, hardware, software, and any other electronic data storage device to the things subject to inspection and audit by the Commission and law enforcement when owned by a person conducting authorized gambling. Also adds compliance with federal and state laws to the scope of such an inspection and audit (rather than only compliance with the Gambling Act);
- authorizes the Commission to require the submission of reports on suspicious activities or irregular betting activities to effectively identify players, wagering information, and suspicious and illegal transactions;
- adds new criminal prohibitions to the Gambling Act, and grants additional powers to the Commission, including the power to track and monitor gambling-related transactions occurring within Washington; and
- changes the reporting requirement so that no later than December 1 of the year following authorization by the Legislature of a new gambling activity, reports by the Commission to the Governor and the Legislature must include information on the state of the gambling industry both within Washington and nationwide.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This is a sensible step into legalized sports wagering in Washington. It is an activity already occurring and will continue to grow, so it is incumbent on the Legislature to find the best path forward. Tribes and the state have an excellent working partnership already as sovereign-to-sovereign governments, including work done related to problem

gambling, and so it makes sense to continue that partnership and add sports wagering as an additional offering at tribal casinos. The state has a history of acting conservatively in terms of expanding gambling. Tribal gaming is a structured regulatory environment and there are significant internal controls. Because tribes are located throughout the state, there will be access for consumers to sports betting no matter where they live. It is best to start slowly by authorizing sports wagering at existing tribal facilities, without adding mobile sports betting, and then to evaluate how it works. Gaming revenue supports and has transformed communities all across Washington. Gaming revenue funds essential tribal government services including social services, medical needs, child care, elder care, housing, and transportation. Revenue also supports charities, nonprofits, problem-gambling treatment and support, and local first responders. Gaming revenue provides options for free tuition to a college or school of one's choice; and those tribal members who benefit from these opportunities return to Washington and continue to improve their community. This has created opportunity for people in their twenties and thirties that would not exist absent tribal gaming. The impact of tribal gaming on Washington's economy is tremendous. Tribes directly employ around 30,000 people in Washington, and this includes tribal members and non-tribal members. Tribal gaming adds billions of dollars of economic activity to the state. Employment opportunities in tribal gaming provide a living wage and sustainable career path. Tribes appreciate their relationships with and the work of the Gambling Commission (Commission), which is the appropriate regulatory entity for sports wagering. It does not make sense to equate tribes with non-tribal private industry in the context of the argument that, to level the playing field, sports betting must also be authorized at non-tribal card rooms. For tribal gaming, 100 percent of the profit supports tribes, and the money is re-invested in the community; this is not the case with gaming conducted by private companies where the law authorizes gaming as a commercial stimulant to a bar or restaurant, not a standalone activity like for tribal gaming.

(Opposed) A comprehensive approach to sports betting that will provide tax revenue to the state and truly combat the illicit off-shore sports betting market is a wiser approach than this bill. It is easy to set up an off-shore betting account on a phone or computer with a credit card, and many people who want to bet on sports have to do so through these unregulated and illegal services. There is consumer demand for sports betting, including mobile sports betting. Mobile and Internet-based engagement is the way the world is heading. Without allowing mobile sports betting, the illicit market will continue to thrive. The data from New Jersey's sports betting program supports this, where over 85 percent of bets are placed through mobile devices. Licensed card rooms are heavily regulated, just as tribal gaming is, and card rooms also consider themselves partners with the state. Card rooms employ thousands of employees in Washington, including card room workers, management, cooks, and dishwashers. Local card rooms under common ownership have already instituted a system-wide self-exclusion policy to combat problem gambling. States across the country are realizing tax revenue from sports wagering; Washington should develop a law that does so as well. Stakeholders are committed to working together to find a solution that benefits the state, tribes, employees, and all communities. Allowing sports betting at card rooms would create jobs for veterans. This is a missed opportunity if not all groups with the capacity and desire to offer sports betting to consumers have the opportunity to do so. The state should be creating more opportunities, not less.

(Other) The Commission is neutral on what scope of sports betting the Legislature wants to authorize and looks at bills through the lens of ensuring gambling is legal and honest. The Commission appreciates that the bill includes the different regulatory components that the Commission believes any sports betting bill should address to establish a sound regulatory structure. The Commission understands it would be the primary regulator of sports betting, and the bill gives the Commission the tools it needs to do that job. The bill provides a renewed opportunity to focus on and combat the illicit market for sports betting. The Commission would already be obligated through the Administrative Procedure Act to work with interested sports leagues and teams related to sports wagering rules, which is why the new language in the original bill on that point is removed in the proposed substitute bill. It is critical that the horse racing industry have an opportunity to participate in any new sports wagering. Horse racing started in 1933, before other gambling was authorized, so the horse racing industry has the experience to participate in any newly authorized sports betting. The Emerald Downs facility is perfect for offering sports betting. It is a big facility with lots of parking. The existing facility needs new financial incentives to carry on and could easily add sports betting to its current offerings. Although Washington was conservative in expanding gambling early on, the politics of the state are now perhaps more libertarian, when considering changes like the legalization of recreational marijuana. Horse racing supports thousands of jobs in Washington and provides several hundred million dollars of economic benefit to the state. The horse racing industry has always been self-sustaining, but that has changed and things are critical in terms of the financial feasibility of continuing in the industry without a change. Every state that has authorized sports betting and that has a horse racing industry in the state has included authorization for sports betting at horse racetracks. Washington should do so as well and not be an outlier.

Persons Testifying: (In support) Representative Peterson, prime sponsor; David Bean, Puyallup Tribe; Sammy Mabe, Suquamish Tribe; Rebecca Kaldor, Washington Indian Gaming Association; Charlene Tillequots, Yakima Nation; Chris Masse, Miller Nash Graham and Dunn; Kara Fox-LaRose, Cowlitz Tribe; and Jerry Allen, 7 Cedars Resort.

(Opposed) Eric Persson, Vicki Christophersen, Craig Schweigert, and Joe Sohm, Maverick Gaming.

(Other) Pat LePley and MaryAnn O'Connell, Washington Horsemen's Benevolent and Protective Association; Dana Halvorson, Washington Thoroughbred Owners and Breeders Association; Amanda Benton, Washington Horse Racing Commission; and Brian Considine, Washington State Gambling Commission.

Persons Signed In To Testify But Not Testifying: None.

SUBSTITUTE HOUSE BILL 2638

State of Washington 66th Legislature 2020 Regular Session

By House Commerce & Gaming (originally sponsored by Representatives Peterson, MacEwen, Stonier, Harris, Robinson, Young, Ortiz-Self, Stokesbary, Tharinger, Walsh, Riccelli, Appleton, Griffey, Hansen, Kloba, Lekanoff, Sells, Chapman, Gregerson, and Ramel)

1 AN ACT Relating to authorizing sports wagering subject to the
2 terms of tribal-state gaming compacts; amending RCW 9.46.070,
3 9.46.130, 9.46.190, 9.46.210, 9.46.220, 9.46.240, and 9.46.090;
4 adding new sections to chapter 9.46 RCW; creating a new section; and
5 prescribing penalties.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** It has long been the policy of this state
8 to prohibit all forms and means of gambling except where carefully
9 and specifically authorized and regulated. The legislature intends to
10 further this policy by authorizing sports wagering on a very limited
11 basis by restricting it to tribal casinos in the state of Washington.
12 Tribes have more than twenty years' experience with, and a proven
13 track record of, successfully operating and regulating gaming
14 facilities in accordance with tribal gaming compacts. Tribal casinos
15 can operate sports wagering pursuant to these tribal gaming compacts,
16 offering the benefits of the same highly regulated environment to
17 sports wagering.

18 NEW SECTION. **Sec. 2.** A new section is added to chapter 9.46 RCW
19 to read as follows:

1 (1) Upon the request of a federally recognized Indian tribe or
2 tribes in the state of Washington, the tribe's class III gaming
3 compact may be amended pursuant to the Indian gaming regulatory act,
4 25 U.S.C. Sec. 2701 et seq., and RCW 9.46.360 to authorize the tribe
5 to conduct and operate sports wagering on its Indian lands, provided
6 the amendment addresses: Licensing; fees associated with the gambling
7 commission's regulation of sports wagering; how sports wagering will
8 be conducted, operated, and regulated; issues related to criminal
9 enforcement, including money laundering, sport integrity, and
10 information sharing between the commission and the tribe related to
11 such enforcement; and responsible and problem gambling. Sports
12 wagering conducted pursuant to the gaming compact is a gambling
13 activity authorized by this chapter.

14 (2) Sports wagering conducted pursuant to the provisions of a
15 class III gaming compact entered into by a tribe and the state
16 pursuant to RCW 9.46.360 is authorized bookmaking and is not subject
17 to civil or criminal penalties pursuant to RCW 9.46.225.

18 **Sec. 3.** RCW 9.46.070 and 2012 c 116 s 1 are each amended to read
19 as follows:

20 The commission shall have the following powers and duties:

21 (1) To authorize and issue licenses for a period not to exceed
22 one year to bona fide charitable or nonprofit organizations approved
23 by the commission meeting the requirements of this chapter and any
24 rules and regulations adopted pursuant thereto permitting said
25 organizations to conduct bingo games, raffles, amusement games, and
26 social card games, to utilize punchboards and pull-tabs in accordance
27 with the provisions of this chapter and any rules and regulations
28 adopted pursuant thereto and to revoke or suspend said licenses for
29 violation of any provisions of this chapter or any rules and
30 regulations adopted pursuant thereto: PROVIDED, That the commission
31 shall not deny a license to an otherwise qualified applicant in an
32 effort to limit the number of licenses to be issued: PROVIDED
33 FURTHER, That the commission or director shall not issue, deny,
34 suspend, or revoke any license because of considerations of race,
35 sex, creed, color, or national origin: AND PROVIDED FURTHER, That the
36 commission may authorize the director to temporarily issue or suspend
37 licenses subject to final action by the commission;

38 (2) To authorize and issue licenses for a period not to exceed
39 one year to any person, association, or organization operating a

1 business primarily engaged in the selling of items of food or drink
2 for consumption on the premises, approved by the commission meeting
3 the requirements of this chapter and any rules and regulations
4 adopted pursuant thereto permitting said person, association, or
5 organization to utilize punchboards and pull-tabs and to conduct
6 social card games as a commercial stimulant in accordance with the
7 provisions of this chapter and any rules and regulations adopted
8 pursuant thereto and to revoke or suspend said licenses for violation
9 of any provisions of this chapter and any rules and regulations
10 adopted pursuant thereto: PROVIDED, That the commission shall not
11 deny a license to an otherwise qualified applicant in an effort to
12 limit the number of licenses to be issued: PROVIDED FURTHER, That the
13 commission may authorize the director to temporarily issue or suspend
14 licenses subject to final action by the commission;

15 (3) To authorize and issue licenses for a period not to exceed
16 one year to any person, association, or organization approved by the
17 commission meeting the requirements of this chapter and meeting the
18 requirements of any rules and regulations adopted by the commission
19 pursuant to this chapter as now or hereafter amended, permitting said
20 person, association, or organization to conduct or operate amusement
21 games in such manner and at such locations as the commission may
22 determine. The commission may authorize the director to temporarily
23 issue or suspend licenses subject to final action by the commission;

24 (4) To authorize, require, and issue, for a period not to exceed
25 one year, such licenses as the commission may by rule provide, to any
26 person, association, or organization to engage in the manufacturing,
27 selling, distributing, or otherwise supplying (~~or in the~~
28 ~~manufacturing~~) of devices, equipment, software, hardware, or any
29 gambling-related services for use within this state for those
30 activities authorized by this chapter. The commission may authorize
31 the director to temporarily issue or suspend licenses subject to
32 final action by the commission;

33 (5) To establish a schedule of annual license fees for carrying
34 on specific gambling activities upon the premises, and for such other
35 activities as may be licensed by the commission, which fees shall
36 provide to the commission not less than an amount of money adequate
37 to cover all costs incurred by the commission relative to licensing
38 under this chapter and the enforcement by the commission of the
39 provisions of this chapter and rules and regulations adopted pursuant
40 thereto: PROVIDED, That all licensing fees shall be submitted with an

1 application therefor and such portion of said fee as the commission
2 may determine, based upon its cost of processing and investigation,
3 shall be retained by the commission upon the withdrawal or denial of
4 any such license application as its reasonable expense for processing
5 the application and investigation into the granting thereof: PROVIDED
6 FURTHER, That if in a particular case the basic license fee
7 established by the commission for a particular class of license is
8 less than the commission's actual expenses to investigate that
9 particular application, the commission may at any time charge to that
10 applicant such additional fees as are necessary to pay the commission
11 for those costs. The commission may decline to proceed with its
12 investigation and no license shall be issued until the commission has
13 been fully paid therefor by the applicant: AND PROVIDED FURTHER, That
14 the commission may establish fees for the furnishing by it to
15 licensees of identification stamps to be affixed to such devices and
16 equipment as required by the commission and for such other special
17 services or programs required or offered by the commission, the
18 amount of each of these fees to be not less than is adequate to
19 offset the cost to the commission of the stamps and of administering
20 their dispersal to licensees or the cost of administering such other
21 special services, requirements or programs;

22 (6) To prescribe the manner and method of payment of taxes, fees
23 and penalties to be paid to or collected by the commission;

24 (7) To require that applications for all licenses contain such
25 information as may be required by the commission: PROVIDED, That all
26 persons (a) having a managerial or ownership interest in any gambling
27 activity, or the building in which any gambling activity occurs, or
28 the equipment to be used for any gambling activity, ~~((or))~~ (b)
29 participating as an employee in the operation of any gambling
30 activity, or (c) participating as an employee in the operation,
31 management, or providing of gambling-related services for sports
32 wagering, shall be listed on the application for the license and the
33 applicant shall certify on the application, under oath, that the
34 persons named on the application are all of the persons known to have
35 an interest in any gambling activity, building, or equipment by the
36 person making such application: PROVIDED FURTHER, That the commission
37 shall require fingerprinting and national criminal history background
38 checks on any persons seeking licenses, certifications, or permits
39 under this chapter or of any person holding an interest in any
40 gambling activity, building, or equipment to be used therefor, or of

1 any person participating as an employee in the operation of any
2 gambling activity. All national criminal history background checks
3 shall be conducted using fingerprints submitted to the United States
4 department of justice-federal bureau of investigation. The commission
5 must establish rules to delineate which persons named on the
6 application are subject to national criminal history background
7 checks. In identifying these persons, the commission must take into
8 consideration the nature, character, size, and scope of the gambling
9 activities requested by the persons making such applications;

10 (8) To require that any license holder maintain records as
11 directed by the commission and submit such reports as the commission
12 may deem necessary;

13 (9) To require that all income from bingo games, raffles, and
14 amusement games be recorded and reported as established by rule or
15 regulation of the commission to the extent deemed necessary by
16 considering the scope and character of the gambling activity in such
17 a manner that will disclose gross income from any gambling activity,
18 amounts received from each player, the nature and value of prizes,
19 and the fact of distributions of such prizes to the winners thereof;

20 (10) To regulate and establish maximum limitations on income
21 derived from bingo. In establishing limitations pursuant to this
22 subsection the commission shall take into account (a) the nature,
23 character, and scope of the activities of the licensee; (b) the
24 source of all other income of the licensee; and (c) the percentage or
25 extent to which income derived from bingo is used for charitable, as
26 distinguished from nonprofit, purposes. However, the commission's
27 powers and duties granted by this subsection are discretionary and
28 not mandatory;

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

34 (12) To regulate the collection of and the accounting for the fee
35 which may be imposed by an organization, corporation, or person
36 licensed to conduct a social card game on a person desiring to become
37 a player in a social card game in accordance with RCW 9.46.0282;

38 (13) To cooperate with and secure the cooperation of county,
39 city, and other local or state agencies in investigating any matter
40 within the scope of its duties and responsibilities;

1 (14) In accordance with RCW 9.46.080, to adopt such rules and
2 regulations as are deemed necessary to carry out the purposes and
3 provisions of this chapter. All rules and regulations shall be
4 adopted pursuant to the administrative procedure act, chapter 34.05
5 RCW;

6 (15) To set forth for the perusal of counties, city-counties,
7 cities and towns, model ordinances by which any legislative authority
8 thereof may enter into the taxing of any gambling activity authorized
9 by this chapter;

10 (16)(a) To establish and regulate a maximum limit on salaries or
11 wages which may be paid to persons employed in connection with
12 activities conducted by bona fide charitable or nonprofit
13 organizations and authorized by this chapter, where payment of such
14 persons is allowed, and to regulate and establish maximum limits for
15 other expenses in connection with such authorized activities,
16 including but not limited to rent or lease payments. However, the
17 commissioner's powers and duties granted by this subsection are
18 discretionary and not mandatory.

19 (b) In establishing these maximum limits the commission shall
20 take into account the amount of income received, or expected to be
21 received, from the class of activities to which the limits will apply
22 and the amount of money the games could generate for authorized
23 charitable or nonprofit purposes absent such expenses. The commission
24 may also take into account, in its discretion, other factors,
25 including but not limited to, the local prevailing wage scale and
26 whether charitable purposes are benefited by the activities;

27 (17) To authorize, require, and issue for a period not to exceed
28 one year such licenses or permits, for which the commission may by
29 rule provide, to any person to work for any operator of any gambling
30 activity authorized by this chapter in connection with that activity,
31 or any manufacturer, supplier, or distributor of devices for those
32 activities in connection with such business. The commission may
33 authorize the director to temporarily issue or suspend licenses
34 subject to final action by the commission. The commission shall not
35 require that persons working solely as volunteers in an authorized
36 activity conducted by a bona fide charitable or bona fide nonprofit
37 organization, who receive no compensation of any kind for any purpose
38 from that organization, and who have no managerial or supervisory
39 responsibility in connection with that activity, be licensed to do
40 such work. The commission may require that licensees employing such

1 unlicensed volunteers submit to the commission periodically a list of
2 the names, addresses, and dates of birth of the volunteers. If any
3 volunteer is not approved by the commission, the commission may
4 require that the licensee not allow that person to work in connection
5 with the licensed activity;

6 (18) To publish and make available at the office of the
7 commission or elsewhere to anyone requesting it a list of the
8 commission licensees, including the name, address, type of license,
9 and license number of each licensee;

10 (19) To establish guidelines for determining what constitutes
11 active membership in bona fide nonprofit or charitable organizations
12 for the purposes of this chapter;

13 (20) To renew the license of every person who applies for renewal
14 within six months after being honorably discharged, removed, or
15 released from active military service in the armed forces of the
16 United States upon payment of the renewal fee applicable to the
17 license period, if there is no cause for denial, suspension, or
18 revocation of the license;

19 (21) To authorize, require, and issue, for a period not to exceed
20 one year, such licenses as the commission may by rule provide, to any
21 person, association, or organization that engages in any sports
22 wagering-related services for use within this state for sports
23 wagering activities authorized by this chapter. The commission may
24 authorize the director to temporarily issue or suspend licenses
25 subject to final action by the commission;

26 (22) To issue licenses under subsections (1) through (4) of this
27 section that are valid for a period of up to eighteen months, if it
28 chooses to do so, in order to transition to the use of the business
29 licensing services program through the department of revenue; and

30 ((+22+)) (23) To perform all other matters and things necessary
31 to carry out the purposes and provisions of this chapter.

32 **Sec. 4.** RCW 9.46.130 and 2011 c 336 s 303 are each amended to
33 read as follows:

34 (1) The premises and paraphernalia, and all the books and
35 records, databases, hardware, software, or any other electronic data
36 storage device of any person, association, or organization conducting
37 gambling activities authorized under this chapter and any person,
38 association, or organization receiving profits therefrom or having
39 any interest therein shall be subject to inspection and audit at any

1 reasonable time, with or without notice, upon demand, by the
2 commission or its designee, the attorney general or his or her
3 designee, the chief of the Washington state patrol or his or her
4 designee or the prosecuting attorney, sheriff, or director of public
5 safety or their designees of the county wherein located, or the chief
6 of police or his or her designee of any city or town in which said
7 organization is located, for the purpose of determining compliance or
8 noncompliance with the provisions of this chapter and any rules or
9 regulations or local ordinances adopted pursuant thereto or any
10 federal or state law. A reasonable time for the purpose of this
11 section shall be: ~~((+1))~~ (a) If the items or records to be inspected
12 or audited are located anywhere upon a premises any portion of which
13 is regularly open to the public or members and guests, then at any
14 time when the premises are so open, or at which they are usually
15 open; or ~~((+2))~~ (b) if the items or records to be inspected or
16 audited are not located upon a premises set out in ~~((subsection (1)))~~
17 (a) of this ~~((section))~~ subsection, then any time between the hours
18 of 8:00 a.m. and 9:00 p.m., Monday through Friday.

19 (2) The commission shall be provided at such reasonable intervals
20 as the commission shall determine with a report, under oath,
21 detailing all receipts and disbursements in connection with such
22 gambling activities together with such other reasonable information
23 as required in order to determine whether such activities comply with
24 the purposes of this chapter or any local ordinances relating
25 thereto.

26 (3) The commission may require the submission of reports on
27 suspicious activities or irregular betting activities to effectively
28 identify players, wagering information, and suspicious and illegal
29 transactions, including the laundering of illicit funds.

30 NEW SECTION. Sec. 5. A new section is added to chapter 9.46 RCW
31 to read as follows:

32 (1) No person shall offer, promise, give, or attempt to give any
33 thing of value to any person for the purpose of influencing the
34 outcome of a sporting event, athletic event, or competition upon
35 which a wager may be made.

36 (2) No person shall place, increase, or decrease a wager after
37 acquiring knowledge, not available to the general public, that anyone
38 has been offered, promised, or given any thing of value for the
39 purpose of influencing the outcome of a sporting event, athletic

1 event, or competition upon which the wager is placed, increased, or
2 decreased.

3 (3) No person shall offer, promise, give, or attempt to give any
4 thing of value to obtain confidential or insider information not
5 available to the public with intent to use the information to gain a
6 wagering advantage on a sporting event, athletic event, or
7 competition.

8 (4) No person shall accept or agree to accept, any thing of value
9 for the purpose of wrongfully influencing his or her play, action,
10 decision making, or conduct in any sporting event, athletic event, or
11 competition upon which a wager may be made.

12 (5) Any person who violates this section shall be guilty of a
13 class C felony subject to the penalty set forth in RCW 9A.20.021.

14 **Sec. 6.** RCW 9.46.190 and 1991 c 261 s 7 are each amended to read
15 as follows:

16 Any person (~~(or)~~), association, or organization operating any
17 gambling activity (~~(who or which)~~) may not, directly or indirectly,
18 (~~(shall)~~) in the course of such operation:

19 (1) Employ any device, scheme, or artifice to defraud; (~~(or)~~)

20 (2) Make any untrue statement of a material fact, or omit to
21 state a material fact necessary in order to make the statement made
22 not misleading, in the light of the circumstances under which said
23 statement is made; (~~(or)~~)

24 (3) Engage in any act, practice, or course of operation as would
25 operate as a fraud or deceit upon any person;

26 (~~(shall)~~) (4) Alter or misrepresent the outcome of a game or
27 other event on which wagers have been made after the outcome is made
28 sure but before it is revealed to the players;

29 (5) Place, increase, or decrease a bet or to determine the course
30 of play after acquiring knowledge, not available to all players, of
31 the outcome of the game or any event that affects the outcome of the
32 game or which is the subject of the bet or to aid anyone in acquiring
33 such knowledge for the purpose of placing, increasing, or decreasing
34 a bet or determining the course of play contingent upon that event or
35 outcome;

36 (6) Knowingly entice or induce another person to go to any place
37 where a gambling activity is being conducted or operated in violation
38 of the provisions of this chapter, with the intent that the other
39 person play or participate in that gambling activity;

1 (7) Place or increase a bet after acquiring knowledge of the
2 outcome of the game or other event that is the subject of the bet,
3 including past posting and pressing bets; or

4 (8) Reduce the amount wagered or cancel the bet after acquiring
5 knowledge of the outcome of the game or other event that is the
6 subject of the bet, including pinching bets. Any person, association,
7 or organization that violates this section shall be guilty of a
8 ((gross misdemeanor)) class C felony subject to the penalty set forth
9 in RCW 9A.20.021.

10 **Sec. 7.** RCW 9.46.210 and 2000 c 46 s 1 are each amended to read
11 as follows:

12 (1) It shall be the duty of all peace officers, law enforcement
13 officers, and law enforcement agencies within this state to
14 investigate, enforce, and prosecute all violations of this chapter.

15 (2) In addition to the authority granted by subsection (1) of
16 this section law enforcement agencies of cities and counties shall
17 investigate and report to the commission all violations of the
18 provisions of this chapter and of the rules of the commission found
19 by them and shall assist the commission in any of its investigations
20 and proceedings respecting any such violations. Such law enforcement
21 agencies shall not be deemed agents of the commission.

22 (3) In addition to its other powers and duties, the commission
23 shall have the power to enforce the penal provisions of this chapter
24 ((218, Laws of 1973 1st ex. sess.)) and as it may be amended, and the
25 penal laws of this state relating to the conduct of or participation
26 in gambling activities, including chapter 9A.83 RCW, and the
27 manufacturing, importation, transportation, distribution, possession,
28 and sale of equipment or paraphernalia used or for use in connection
29 therewith. The director, the deputy director, both assistant
30 directors, and each of the commission's investigators, enforcement
31 officers, and inspectors shall have the power, under the supervision
32 of the commission, to enforce the penal provisions of this chapter
33 ((218, Laws of 1973 1st ex. sess.)) and as it may be amended, and the
34 penal laws of this state relating to the conduct of or participation
35 in gambling activities, including chapter 9A.83 RCW, and the
36 manufacturing, importation, transportation, distribution, possession,
37 and sale of equipment or paraphernalia used or for use in connection
38 therewith. They shall have the power and authority to apply for and
39 execute all warrants and serve process of law issued by the courts in

1 enforcing the penal provisions of this chapter (~~(218, Laws of 1973~~
2 ~~1st ex. sess.)~~) and as it may be amended, and the penal laws of this
3 state relating to the conduct of or participation in gambling
4 activities and the manufacturing, importation, transportation,
5 distribution, possession, and sale of equipment or paraphernalia used
6 or for use in connection therewith. They shall have the power to
7 arrest without a warrant, any person or persons found in the act of
8 violating any of the penal provisions of this chapter (~~(218, Laws of~~
9 ~~1973 1st ex. sess.)~~) and as it may be amended, and the penal laws of
10 this state relating to the conduct of or participation in gambling
11 activities and the manufacturing, importation, transportation,
12 distribution, possession, and sale of equipment or paraphernalia used
13 or for use in connection therewith. To the extent set forth above,
14 the commission shall be a law enforcement agency of this state with
15 the power to investigate for violations of and to enforce the
16 provisions of this chapter, as now law or hereafter amended, and to
17 obtain information from and provide information to all other law
18 enforcement agencies.

19 (4) Criminal history record information that includes
20 nonconviction data, as defined in RCW 10.97.030, may be disseminated
21 by a criminal justice agency to the Washington state gambling
22 commission for any purpose associated with the investigation for
23 suitability for involvement in gambling activities authorized under
24 this chapter. The Washington state gambling commission shall only
25 disseminate nonconviction data obtained under this section to
26 criminal justice agencies.

27 (5) In addition to its other powers and duties, the commission
28 may ensure sport integrity and prevent and detect competition
29 manipulation through education and enforcement of the penal
30 provisions of this chapter or chapter 67.04 or 67.24 RCW, or any
31 other state penal laws related to the integrity of sporting events,
32 athletic events, or competitions within the state.

33 (6) In addition to its other powers and duties, the commission
34 may track and monitor gambling-related transactions occurring within
35 the state to aid in its enforcement of the penal provisions of this
36 chapter or chapter 9A.83 RCW, or any other state penal laws related
37 to suspicious or illegal wagering activities, including the use of
38 funds derived from illegal activity, wagers to conceal or launder
39 funds derived from illegal activity, use of agents to place wagers,
40 or use of false identification by a player.

1 **Sec. 8.** RCW 9.46.220 and 1997 c 78 s 2 are each amended to read
2 as follows:

3 (1) A person is guilty of professional gambling in the first
4 degree if he or she engages in, or knowingly causes, aids, abets, or
5 conspires with another to engage in professional gambling as defined
6 in this chapter, and:

7 (a) Acts in concert with or conspires with five or more people;
8 ~~((or))~~

9 (b) Personally accepts wagers exceeding five thousand dollars
10 during any thirty-day period on future contingent events; ~~((or))~~

11 (c) The operation for whom the person works, or with which the
12 person is involved, accepts wagers exceeding five thousand dollars
13 during any thirty-day period on future contingent events; ~~((or))~~

14 (d) Operates, manages, or profits from the operation of a
15 premises or location where persons are charged a fee to participate
16 in card games, lotteries, or other gambling activities that are not
17 authorized by this chapter or licensed by the commission; or

18 (e) Engages in bookmaking as defined in RCW 9.46.0213.

19 (2) However, this section shall not apply to those activities
20 enumerated in RCW 9.46.0305 through 9.46.0361 or to any act or acts
21 in furtherance of such activities when conducted in compliance with
22 the provisions of this chapter and in accordance with the rules
23 adopted pursuant to this chapter.

24 (3) Professional gambling in the first degree is a class B felony
25 subject to the penalty set forth in RCW 9A.20.021.

26 NEW SECTION. **Sec. 9.** A new section is added to chapter 9.46 RCW
27 to read as follows:

28 The transmission of gambling information over the internet for
29 any sports wagering conducted and operated under this section and
30 section 2 of this act is authorized, provided that the wager may be
31 placed and accepted at a tribe's gaming facility only while the
32 customer placing the wager is physically present on the premises of
33 that tribe's gaming facility.

34 **Sec. 10.** RCW 9.46.240 and 2006 c 290 s 2 are each amended to
35 read as follows:

36 (1) Whoever knowingly transmits or receives gambling information
37 by telephone, telegraph, radio, semaphore, the internet, a
38 telecommunications transmission system, or similar means, or

1 knowingly installs or maintains equipment for the transmission or
2 receipt of gambling information shall be guilty of a class C felony
3 subject to the penalty set forth in RCW 9A.20.021. (~~However, this~~)

4 (2) This section shall not apply to such information transmitted
5 or received or equipment or devices installed or maintained relating
6 to activities authorized by this chapter including, but not limited
7 to, sports wagering authorized under sections 2 and 9 of this act, or
8 to any act or acts in furtherance thereof when conducted in
9 compliance with the provisions of this chapter and in accordance with
10 the rules adopted under this chapter and conducted in accordance with
11 tribal-state compacts.

12 NEW SECTION. **Sec. 11.** A new section is added to chapter 9.46
13 RCW to read as follows:

14 (1)(a) For purposes of this chapter, "sports wagering" means the
15 business of accepting wagers on any of the following sporting events,
16 athletic events, or competitions by any system or method of wagering:

17 (i) A professional sport or athletic event;

18 (ii) A collegiate sport or athletic event;

19 (iii) An Olympic or international sports competition or event;

20 (iv) An electronic sports or esports competition or event;

21 (v) A combination of sporting events, athletic events, or
22 competitions listed in (a)(i) through (iv) of this subsection (1); or

23 (vi) A portion of any sporting event, athletic event, or
24 competition listed in (a)(i) through (iv) of this subsection (1).

25 (b) Sports wagering does not include the business of accepting
26 wagers on horse racing authorized pursuant to chapter 67.16 RCW.

27 (2) For purposes of this section:

28 (a) "Collegiate sport or athletic event" means a sport or
29 athletic event offered or sponsored by, or played in connection with,
30 a public or private institution that offers education services beyond
31 the secondary level, other than such an institution that is located
32 within the state of Washington.

33 (b) "Electronic or esports event" means a live event or
34 tournament attended or watched by members of the public where games
35 or matches are contested in real time by players and teams and
36 players or teams can win a prize based on their performance in the
37 live event or tournament.

38 (c) "Professional sport or athletic event" means an event that is
39 not a collegiate sport or athletic event at which two or more persons

1 participate in sports or athletic events and receive compensation in
2 excess of actual expenses for their participation in the event.

3 **Sec. 12.** RCW 9.46.090 and 1987 c 505 s 3 are each amended to
4 read as follows:

5 Subject to RCW 40.07.040, the commission shall, from time to
6 time, make reports to the governor and the legislature covering such
7 matters in connection with this chapter as the governor and the
8 legislature may require. These reports shall be public documents and
9 contain such general information and remarks as the commission deems
10 pertinent thereto and any information requested by either the
11 governor or members of the legislature: PROVIDED, That the commission
12 appointed pursuant to RCW 9.46.040 may conduct a thorough study of
13 the types of gambling activity permitted and the types of gambling
14 activity prohibited by this chapter and may make recommendations to
15 the legislature as to: (1) Gambling activity that ought to be
16 permitted; (2) gambling activity that ought to be prohibited; (3) the
17 types of licenses and permits that ought to be required; (4) the type
18 and amount of tax that ought to be applied to each type of permitted
19 gambling activity; (5) any changes which may be made to the law of
20 this state which further the purposes and policies set forth in RCW
21 9.46.010 as now law or hereafter amended; and (6) any other matter
22 that the commission may deem appropriate. However, no later than
23 December 1st of the year following any authorization by the
24 legislature of a new gambling activity, any report by the commission
25 to the governor and the appropriate committees of the legislature
26 must include information on the state of the gambling industry both
27 within the state and nationwide. Members of the commission and its
28 staff may contact the legislature, or any of its members, at any
29 time, to advise it of recommendations of the commission.

30 NEW SECTION. **Sec. 13.** If any provision of this act or its
31 application to any person or circumstance is held invalid, the
32 remainder of the act or the application of the provision to other
33 persons or circumstances is not affected.

--- END ---

SENATE BILL 6394

State of Washington 66th Legislature 2020 Regular Session

By Senators Saldaña, Conway, McCoy, Stanford, Hobbs, Das, Wilson, C., Zeiger, O'Ban, Hasegawa, Van De Wege, Hunt, Nguyen, Holy, Fortunato, and Sheldon

Read first time 01/16/20. Referred to Committee on Labor & Commerce.

1 AN ACT Relating to authorizing sports wagering subject to the
2 terms of tribal-state gaming compacts; amending RCW 9.46.070,
3 9.46.240, and 9.46.090; adding new sections to chapter 9.46 RCW; and
4 creating a new section.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** It has long been the policy of this state
7 to prohibit all forms and means of gambling except where carefully
8 and specifically authorized and regulated. The legislature intends to
9 further this policy by authorizing sports wagering on a very limited
10 basis by restricting it to tribal casinos in the state of Washington.
11 Tribes have more than twenty years' experience with, and a proven
12 track record of, successfully operating and regulating gaming
13 facilities in accordance with tribal gaming compacts. Tribal casinos
14 can operate sports wagering pursuant to these tribal gaming compacts,
15 offering the benefits of the same highly regulated environment to
16 sports wagering.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 9.46 RCW
18 to read as follows:

19 (1) Upon the request of a federally recognized Indian tribe in
20 the state of Washington, the tribe's class III gaming compact must be

1 amended pursuant to the Indian gaming regulatory act, 25 U.S.C. Sec.
2 2701 et seq., and RCW 9.46.360 to authorize the tribe to conduct and
3 operate sports wagering on federal Indian lands, provided the
4 amendment addresses how sports wagering will be conducted, operated,
5 and regulated. Sports wagering conducted pursuant to the gaming
6 compact is a gambling activity authorized by this chapter.

7 (2) Sports wagering conducted pursuant to the provisions of a
8 class III gaming compact entered into by a tribe and the state
9 pursuant to RCW 9.46.360 is not bookmaking and is not subject to
10 civil or criminal penalties.

11 **Sec. 3.** RCW 9.46.070 and 2012 c 116 s 1 are each amended to read
12 as follows:

13 The commission shall have the following powers and duties:

14 (1) To authorize and issue licenses for a period not to exceed
15 one year to bona fide charitable or nonprofit organizations approved
16 by the commission meeting the requirements of this chapter and any
17 rules and regulations adopted pursuant thereto permitting said
18 organizations to conduct bingo games, raffles, amusement games, and
19 social card games, to utilize punchboards and pull-tabs in accordance
20 with the provisions of this chapter and any rules and regulations
21 adopted pursuant thereto and to revoke or suspend said licenses for
22 violation of any provisions of this chapter or any rules and
23 regulations adopted pursuant thereto: PROVIDED, That the commission
24 shall not deny a license to an otherwise qualified applicant in an
25 effort to limit the number of licenses to be issued: PROVIDED
26 FURTHER, That the commission or director shall not issue, deny,
27 suspend, or revoke any license because of considerations of race,
28 sex, creed, color, or national origin: AND PROVIDED FURTHER, That the
29 commission may authorize the director to temporarily issue or suspend
30 licenses subject to final action by the commission;

31 (2) To authorize and issue licenses for a period not to exceed
32 one year to any person, association, or organization operating a
33 business primarily engaged in the selling of items of food or drink
34 for consumption on the premises, approved by the commission meeting
35 the requirements of this chapter and any rules and regulations
36 adopted pursuant thereto permitting said person, association, or
37 organization to utilize punchboards and pull-tabs and to conduct
38 social card games as a commercial stimulant in accordance with the
39 provisions of this chapter and any rules and regulations adopted

1 pursuant thereto and to revoke or suspend said licenses for violation
2 of any provisions of this chapter and any rules and regulations
3 adopted pursuant thereto: PROVIDED, That the commission shall not
4 deny a license to an otherwise qualified applicant in an effort to
5 limit the number of licenses to be issued: PROVIDED FURTHER, That the
6 commission may authorize the director to temporarily issue or suspend
7 licenses subject to final action by the commission;

8 (3) To authorize and issue licenses for a period not to exceed
9 one year to any person, association, or organization approved by the
10 commission meeting the requirements of this chapter and meeting the
11 requirements of any rules and regulations adopted by the commission
12 pursuant to this chapter as now or hereafter amended, permitting said
13 person, association, or organization to conduct or operate amusement
14 games in such manner and at such locations as the commission may
15 determine. The commission may authorize the director to temporarily
16 issue or suspend licenses subject to final action by the commission;

17 (4) To authorize, require, and issue, for a period not to exceed
18 one year, such licenses as the commission may by rule provide, to any
19 person, association, or organization to engage in the manufacturing,
20 selling, distributing, or otherwise supplying (~~or in the~~
21 ~~manufacturing~~) of devices, equipment, software, hardware, or any
22 gambling-related services for use within this state for those
23 activities authorized by this chapter. The commission may authorize
24 the director to temporarily issue or suspend licenses subject to
25 final action by the commission;

26 (5) To establish a schedule of annual license fees for carrying
27 on specific gambling activities upon the premises, and for such other
28 activities as may be licensed by the commission, which fees shall
29 provide to the commission not less than an amount of money adequate
30 to cover all costs incurred by the commission relative to licensing
31 under this chapter and the enforcement by the commission of the
32 provisions of this chapter and rules and regulations adopted pursuant
33 thereto: PROVIDED, That all licensing fees shall be submitted with an
34 application therefor and such portion of said fee as the commission
35 may determine, based upon its cost of processing and investigation,
36 shall be retained by the commission upon the withdrawal or denial of
37 any such license application as its reasonable expense for processing
38 the application and investigation into the granting thereof: PROVIDED
39 FURTHER, That if in a particular case the basic license fee
40 established by the commission for a particular class of license is

1 less than the commission's actual expenses to investigate that
2 particular application, the commission may at any time charge to that
3 applicant such additional fees as are necessary to pay the commission
4 for those costs. The commission may decline to proceed with its
5 investigation and no license shall be issued until the commission has
6 been fully paid therefor by the applicant: AND PROVIDED FURTHER, That
7 the commission may establish fees for the furnishing by it to
8 licensees of identification stamps to be affixed to such devices and
9 equipment as required by the commission and for such other special
10 services or programs required or offered by the commission, the
11 amount of each of these fees to be not less than is adequate to
12 offset the cost to the commission of the stamps and of administering
13 their dispersal to licensees or the cost of administering such other
14 special services, requirements or programs;

15 (6) To prescribe the manner and method of payment of taxes, fees
16 and penalties to be paid to or collected by the commission;

17 (7) To require that applications for all licenses contain such
18 information as may be required by the commission: PROVIDED, That all
19 persons (a) having a managerial or ownership interest in any gambling
20 activity, or the building in which any gambling activity occurs, or
21 the equipment to be used for any gambling activity, or (b)
22 participating as an employee in the operation of any gambling
23 activity, shall be listed on the application for the license and the
24 applicant shall certify on the application, under oath, that the
25 persons named on the application are all of the persons known to have
26 an interest in any gambling activity, building, or equipment by the
27 person making such application: PROVIDED FURTHER, That the commission
28 shall require fingerprinting and national criminal history background
29 checks on any persons seeking licenses, certifications, or permits
30 under this chapter or of any person holding an interest in any
31 gambling activity, building, or equipment to be used therefor, or of
32 any person participating as an employee in the operation of any
33 gambling activity. All national criminal history background checks
34 shall be conducted using fingerprints submitted to the United States
35 department of justice-federal bureau of investigation. The commission
36 must establish rules to delineate which persons named on the
37 application are subject to national criminal history background
38 checks. In identifying these persons, the commission must take into
39 consideration the nature, character, size, and scope of the gambling
40 activities requested by the persons making such applications;

1 (8) To require that any license holder maintain records as
2 directed by the commission and submit such reports as the commission
3 may deem necessary;

4 (9) To require that all income from bingo games, raffles, and
5 amusement games be recorded and reported as established by rule or
6 regulation of the commission to the extent deemed necessary by
7 considering the scope and character of the gambling activity in such
8 a manner that will disclose gross income from any gambling activity,
9 amounts received from each player, the nature and value of prizes,
10 and the fact of distributions of such prizes to the winners thereof;

11 (10) To regulate and establish maximum limitations on income
12 derived from bingo. In establishing limitations pursuant to this
13 subsection the commission shall take into account (a) the nature,
14 character, and scope of the activities of the licensee; (b) the
15 source of all other income of the licensee; and (c) the percentage or
16 extent to which income derived from bingo is used for charitable, as
17 distinguished from nonprofit, purposes. However, the commission's
18 powers and duties granted by this subsection are discretionary and
19 not mandatory;

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

25 (12) To regulate the collection of and the accounting for the fee
26 which may be imposed by an organization, corporation, or person
27 licensed to conduct a social card game on a person desiring to become
28 a player in a social card game in accordance with RCW 9.46.0282;

29 (13) To cooperate with and secure the cooperation of county,
30 city, and other local or state agencies in investigating any matter
31 within the scope of its duties and responsibilities;

32 (14) In accordance with RCW 9.46.080, to adopt such rules and
33 regulations as are deemed necessary to carry out the purposes and
34 provisions of this chapter. All rules and regulations shall be
35 adopted pursuant to the administrative procedure act, chapter 34.05
36 RCW;

37 (15) To set forth for the perusal of counties, city-counties,
38 cities and towns, model ordinances by which any legislative authority
39 thereof may enter into the taxing of any gambling activity authorized
40 by this chapter;

1 (16) (a) To establish and regulate a maximum limit on salaries or
2 wages which may be paid to persons employed in connection with
3 activities conducted by bona fide charitable or nonprofit
4 organizations and authorized by this chapter, where payment of such
5 persons is allowed, and to regulate and establish maximum limits for
6 other expenses in connection with such authorized activities,
7 including but not limited to rent or lease payments. However, the
8 commissioner's powers and duties granted by this subsection are
9 discretionary and not mandatory.

10 (b) In establishing these maximum limits the commission shall
11 take into account the amount of income received, or expected to be
12 received, from the class of activities to which the limits will apply
13 and the amount of money the games could generate for authorized
14 charitable or nonprofit purposes absent such expenses. The commission
15 may also take into account, in its discretion, other factors,
16 including but not limited to, the local prevailing wage scale and
17 whether charitable purposes are benefited by the activities;

18 (17) To authorize, require, and issue for a period not to exceed
19 one year such licenses or permits, for which the commission may by
20 rule provide, to any person to work for any operator of any gambling
21 activity authorized by this chapter in connection with that activity,
22 or any manufacturer, supplier, or distributor of devices for those
23 activities in connection with such business. The commission may
24 authorize the director to temporarily issue or suspend licenses
25 subject to final action by the commission. The commission shall not
26 require that persons working solely as volunteers in an authorized
27 activity conducted by a bona fide charitable or bona fide nonprofit
28 organization, who receive no compensation of any kind for any purpose
29 from that organization, and who have no managerial or supervisory
30 responsibility in connection with that activity, be licensed to do
31 such work. The commission may require that licensees employing such
32 unlicensed volunteers submit to the commission periodically a list of
33 the names, addresses, and dates of birth of the volunteers. If any
34 volunteer is not approved by the commission, the commission may
35 require that the licensee not allow that person to work in connection
36 with the licensed activity;

37 (18) To publish and make available at the office of the
38 commission or elsewhere to anyone requesting it a list of the
39 commission licensees, including the name, address, type of license,
40 and license number of each licensee;

1 (19) To establish guidelines for determining what constitutes
2 active membership in bona fide nonprofit or charitable organizations
3 for the purposes of this chapter;

4 (20) To renew the license of every person who applies for renewal
5 within six months after being honorably discharged, removed, or
6 released from active military service in the armed forces of the
7 United States upon payment of the renewal fee applicable to the
8 license period, if there is no cause for denial, suspension, or
9 revocation of the license;

10 (21) To issue licenses under subsections (1) through (4) of this
11 section that are valid for a period of up to eighteen months, if it
12 chooses to do so, in order to transition to the use of the business
13 licensing services program through the department of revenue; (~~and~~)

14 (22) To provide to professional and collegiate sports teams and
15 leagues an opportunity to provide comment in the adoption of any
16 rules related to sports wagering; and

17 (23) To perform all other matters and things necessary to carry
18 out the purposes and provisions of this chapter.

19 NEW SECTION. **Sec. 4.** A new section is added to chapter 9.46 RCW
20 to read as follows:

21 The transmission of gambling information over the internet for
22 any sports wagering conducted and operated under this section and
23 section 2 of this act is authorized, provided that a wager may be
24 placed and accepted only while the customer placing the wager is
25 physically present on the premises of the gaming facility of the
26 Indian tribe or tribal entity.

27 **Sec. 5.** RCW 9.46.240 and 2006 c 290 s 2 are each amended to read
28 as follows:

29 Whoever knowingly transmits or receives gambling information by
30 telephone, telegraph, radio, semaphore, the internet, a
31 telecommunications transmission system, or similar means, or
32 knowingly installs or maintains equipment for the transmission or
33 receipt of gambling information shall be guilty of a class C felony
34 subject to the penalty set forth in RCW 9A.20.021. However, this
35 section shall not apply to such information transmitted or received
36 or equipment installed or maintained relating to activities
37 authorized by this chapter including, but not limited to, sports
38 wagering authorized under sections 2 and 4 of this act, or to any act

1 or acts in furtherance thereof when conducted in compliance with the
2 provisions of this chapter and in accordance with the rules adopted
3 under this chapter.

4 NEW SECTION. **Sec. 6.** A new section is added to chapter 9.46 RCW
5 to read as follows:

6 (1)(a) For purposes of this chapter, "sports wagering" means the
7 business of accepting wagers on any of the following sporting events,
8 athletic events, or competitions by any system or method of wagering:

9 (i) A professional sport or athletic event;

10 (ii) A collegiate sport or athletic event;

11 (iii) An Olympic or international sports competition or event;

12 (iv) An electronic sports or esports competition or event;

13 (v) A combination of sporting events, athletic events, or
14 competitions listed in (a)(i) through (iv) of this subsection (1); or

15 (vi) A portion of any sporting event, athletic event, or
16 competition listed in (a)(i) through (iv) of this subsection (1).

17 (b) Sports wagering does not include the business of accepting
18 wagers on horse racing authorized pursuant to chapter 67.16 RCW.

19 (2) For purposes of this section:

20 (a) "Collegiate sport or athletic event" means a sport or
21 athletic event offered or sponsored by, or played in connection with,
22 a public or private institution that offers education services beyond
23 the secondary level, other than such an institution that is located
24 within the state of Washington.

25 (b) "Electronic or esports event" means a live event or
26 tournament attended or watched by members of the public where games
27 or matches are contested in real time by players and teams and
28 players or teams can win a prize based on their performance in the
29 live event or tournament.

30 (c) "Professional sport or athletic event" means an event that is
31 not a collegiate sport or athletic event at which two or more persons
32 participate in sports or athletic events and receive compensation in
33 excess of actual expenses for their participation in the event.

34 **Sec. 7.** RCW 9.46.090 and 1987 c 505 s 3 are each amended to read
35 as follows:

36 (1) Subject to RCW 40.07.040, the commission shall, from time to
37 time, make reports to the governor and the legislature covering such
38 matters in connection with this chapter as the governor and the

1 legislature may require. These reports shall be public documents and
2 contain such general information and remarks as the commission deems
3 pertinent thereto and any information requested by either the
4 governor or members of the legislature; PROVIDED, That the commission
5 appointed pursuant to RCW 9.46.040 may conduct a thorough study of
6 the types of gambling activity permitted and the types of gambling
7 activity prohibited by this chapter and may make recommendations to
8 the legislature as to: ~~((1))~~ (a) Gambling activity that ought to be
9 permitted; ~~((2))~~ (b) gambling activity that ought to be prohibited;
10 ~~((3))~~ (c) the types of licenses and permits that ought to be
11 required; ~~((4))~~ (d) the type and amount of tax that ought to be
12 applied to each type of permitted gambling activity; ~~((5))~~ (e) any
13 changes which may be made to the law of this state which further the
14 purposes and policies set forth in RCW 9.46.010 as now law or
15 hereafter amended; and ~~((6))~~ (f) any other matter that the
16 commission may deem appropriate.

17 (2) In addition to the reports under subsection (1) of this
18 section, the commission must provide an initial report by December 1,
19 2021, and a final report by December 1, 2022, to the governor and the
20 appropriate committees of the legislature. The reports must include,
21 but are not limited to, the following:

22 (a) The state of the gambling industry both within the state and
23 nationwide;

24 (b) Recommendations, if any, to the legislature concerning laws
25 that the commission determines require immediate amendment to prevent
26 abuses and violations of this act, including this chapter and
27 chapters 67.04 and 67.24 RCW, or any other state criminal law that
28 may be affected by sports wagering; and

29 (c) The value and cost of establishing a sports integrity unit to
30 prevent and detect competition manipulation through education and
31 enforcement of the criminal law provisions of this chapter and
32 chapters 67.04 and 67.24 RCW, or any other state criminal law that
33 may be needed to protect the integrity of sporting events and
34 contests within the state, including whether other states have
35 instituted similar units.

36 (3) Members of the commission and its staff may contact the
37 legislature, or any of its members, at any time, to advise it of
38 recommendations of the commission.

1 NEW SECTION. **Sec. 8.** If any provision of this act or its
2 application to any person or circumstance is held invalid, the
3 remainder of the act or the application of the provision to other
4 persons or circumstances is not affected.

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