



# Sports Betting

July 11, 2019

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# Washington State Law

## Gambling Act (RCW 9.46)

### Relevant Statutes:

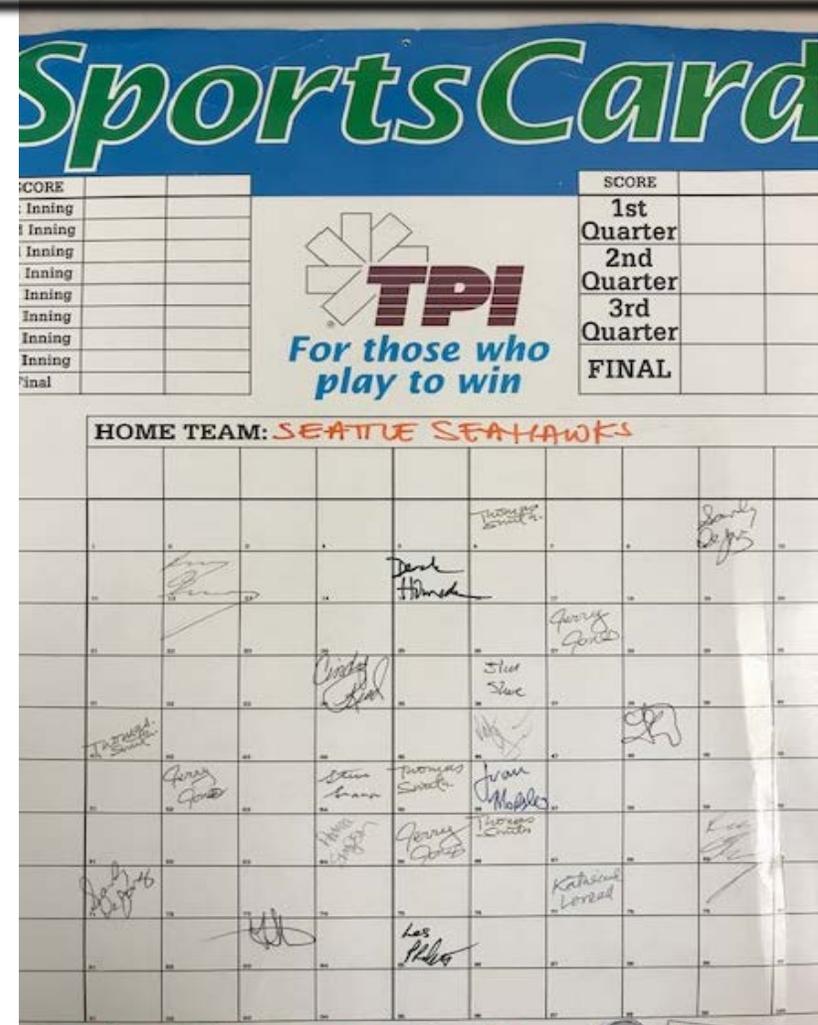
RCW 9.46.070 – Powers and Duties

RCW 9.46.0335 – Sports pools authorized

RCW 9.46.220 - .225 – Professional gambling

RCW 9.46.240 – Prohibition on internet gambling

RCW 9.46.360 – Compact Negotiation Process



# Washington State Law

## Additional Relevant Gambling Laws:

RCW 67.04 – Baseball match-fixing laws

RCW 67.24 – Sporting contest match-fixing laws

RCW 67.16 – Horse Racing Act

RCW 67.70 – State Lottery Act

# Sports Gambling Bills

HB 1975

- Only authorized at Tribal Casinos

HB 1992

- Horse Track
- OTB
- Tribal Casinos

SB 5965

- Title-only Bill

# HB 1975

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

**Sponsors:** Representatives Pettigrew (prime), Walsh, Kirby, Riccelli, Fitzgibbon, Stonier, Tharinger, Pollet

## **Committee History:**

- Introduced on Feb. 8<sup>th</sup>
- Hearing on Feb. 14<sup>th</sup>
- Executive Action on Feb. 21<sup>st</sup> (8-2-1 vote passing bill)
- Referred to Appropriations (no hearing)

# HB 1975

Authorizes federally recognized Indian Tribes to operate sports gambling through Class III gaming compacts.

Authorizes the use of internet for sports gambling provided that the wager be placed and accepted only while the player is on the Tribal Casino premises.

Provides that sports gambling pursuant to a Class III compact is not bookmaking under state law.

# HB 1975

Defines sports wagering as:

- A professional sport or athletic event;
- A collegiate sport or athletic event;
- An Olympic or international sports competition or event; or
- A combination of sporting events, athletic events, or competitions.

# HB 1975 - WSGC Impact

Regulatory cost:

Fiscal Note for HB 1975 – Min of \$1.2 million per year as we scale up –  
Once it is a mature stable market, then likely we can scale down.

Licensing, Regulation, Tribal Gaming, Electronic Gambling Lab, Criminal Enforcement, Legal, and Business Units within agency will be impacted.

Will need to write new rules for new activities/licensees and work with Tribes and Tribal Gaming Regulators to establish new sports gambling regulatory structure.

# HB 1975

## Result:

All 29 federally recognized Indian Tribes could negotiate a Class III gaming compact with the state to operate a sportsbook at their casino properties prior to operating a sportsbook at a Tribal Casino.

On-premise and on-premise mobile sports gambling.

WSGC and Tribes would work out details of sports gambling operational details (types of wagers, activities to wager on, licensing, player disputes, etc.) in compact.

# HB 1992

**Title:** “An act relating to sports wagering”

**Sponsors:** Representative Schmick

**Committee History:**

- Introduced on Feb. 11<sup>th</sup>
- No Hearing on bill

# HB 1992

Excludes “sports wagering” from current definition of gambling.

Instead, defines “sports wagering” in the Horse Racing Act (RCW 67.16) as placing wagers on the outcome of professional and collegiate sports contests at authorized sports wagering facilities.

Sports wagering facility defined as the “physical property of a class 1 racing association, authorized off-track betting location, and Tribal casino.

# HB 1992

Under the Horse Racing Act (RCW 67.16):

Class 1 racing associations may conduct sports wagering handicapping contests.

WSGC will:

- (1) be the state regulator;
- (2) adopt rules and regulations for sports gambling; and
- (3) regulate sports wagering at Class 1 racing and off-track betting properties, and Tribal casinos per Class III compacts.

# HB 1992

Adopts current off-track betting structure in Horse Racing Act:

One off-track betting location for each county and two for King County

- Total of 40 possible locations
- Currently 10 commercial locations (current HB card rooms or pull-tab operators)
  - Also 3 Tribal casino locations
- Locations must be 20 miles from Emerald Downs and 60 miles from other racing facilities conducting a live race meet

Does not authorize internet sports gambling/advanced deposit wagering

# HB 1992 – State Impact

There will be a regulatory cost but WSGC and WHRC did not prepare fiscal notes – WSGC minimum cost likely higher because more operators.

Bill allocates 15% of gross receipts, in equal percentages, to: WHRC, WSGC, HCA's Problem Gambling Account, WA Breeder Awards Account, WA bred owners' bonus fund, and Class C Purse Fund Account.

Remaining 85% of gross receipts divided equally between Class 1 racing association and Class C Purse Fund Account.

# HB 1992

## Result:

All 29 federally recognized Indian Tribes could negotiate a Class III gaming compact with the state to operate a sportsbook at their casino properties.

Emerald Downs could have a licensed sportsbook and 40 additional possible sports gambling locations.

Land-based only operations – no internet or mobile authorized.

New rules for new activities/licenses before activities could begin.

# Regulatory Policy Issues

Licensing Requirements

Equipment Testing & Approval

Criminal Investigation & Enforcement

Installations & Inspections

New Admin Cases

Payout Disputes

Geo-fencing

Process for authorizing activities

Official Data / Sports Data

Process for authorizing unique events (fantasy sports, esports, Oscars)

# Problem Gambling

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**Self-exclusion** – Horse Racing Act not included in HB 1302 but can still cover if we are the state regulator.

**Problem Gambling Task Force** – Review and analyze sports gambling impact to current state problem gambling structure.



# Questions?

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