



Rule Petition to Amend/Adopt
Minimum cash on hand requirements.

December 2021 – Final Action
November 2021 - Discussion
October 2021 – Discussion & Possible Filing
August 2021 – Commission Review
May 2021 – Rule-Making Petition Received

Tab 6: DECEMBER 2021 Commission Meeting Agenda.

Statutory Authority 9.46.070

Who Proposed the Rule Change?

Ann Huysmans, Galaxy Gaming, Inc. from Las Vegas, Nevada

Background

BOLD = Changes made after November 2021 Commission Meeting.

At the August 2021 public meeting, Commissioners accepted a petition and chose to initiate rule-making to address minimum cash on hand requirements, including keeping jackpot money in a separate, off-site bank account rather than on the premises. At the October 2021 public meeting, Commissioners chose to file draft language for further discussion. Language was filed with the Office of the Code Reviser on October 18, 2021 to be published in the Washington State Register (issue 21-21-092) and was posted on the agency website. **This language is before you today for final action.**

Ann Huysmans, of Galaxy Gaming Inc., Las Vegas, Nevada, is proposing to amend WAC 230-15-050, Minimum cash on hand requirements, to allow operators who are running house-banked jackpots to keep the required jackpot money in a separate, off-site bank account rather than on the premises.

The petitioner feels this change is needed because operators have expressed security concerns associated with keeping large sums of money on the premises.

The petitioner feels the effect of this rule change would reduce the risk of burglaries, theft, misappropriation of funds associated with having large sums of cash on the premises. The petitioner feels that this rule change would allow for increased accountability and tracking of funds as financial institutions are heavily regulated and maintain numerous records for various regulators, both at the federal and state level.

Attachments:

- Petition
- WAC 230-15-050 (AMENDED)
- WAC 230-15-673 (NEW)
- WAC 230-15-674 (NEW)
- Stakeholder Feedback

Policy Considerations

Staff recognizes the petitioner’s safety concerns for card rooms and for players leaving card rooms with large sums of money on their persons.

Staff has policy concerns with the petitioner's approach in the original petition because the rule change would not apply to the petitioner, but card room licensees and the request does not appropriately address how card room licensees would maintain reserve funds and pay out prizes.

Staff has discussed their concerns with the petitioner and believes the agency can draft new rules to address how licensees will maintain funds and pay out prizes should this petition be accepted. However, it would be good to hear from card room licensees to determine if they believe this rule change is needed.

Staff worked with the petitioner to address these concerns.

Stakeholder Feedback

Staff worked with the petitioner on draft language to address staff's concerns on how licensees will maintain funds and pay out prizes. Draft language was sent to the petitioner for review on September 8, 2021 and to licensed house-banked card rooms for review on September 10, 2021 with a request for feedback by September 22, 2021. Feedback was received from the following stakeholders in support of the draft language:

- Ann Huysmans, Galaxy Gaming
- Dave Magee, Hawks Prairie Casino
- Vernon West, Roxy's Bar & Grill

No additional feedback has been received.

Staff Recommendation

Staff recommends final action be taken, making the rules effective 31 days after filing with the Office of the Code reviser.

Laydon, Ashlie (GMB)

From: dan.heisel@watech.wa.gov on behalf of WSGC Web <no.reply@wsgc.wa.gov>
Sent: Thursday, May 20, 2021 3:42 PM
To: Rules Coordinator (GMB)
Subject: Request a Rule Change Submission from wsgc.wa.gov

External Email

Submitted on Thursday, May 20, 2021 - 3:42pm Submitted by anonymous user: 24.120.171.202 Submitted values are:

Petitioner's Name: Galaxy Gaming, Inc.

Mailing Address: 6480 Cameron Street, Suite 305

City: Las Vegas

State: Nevada

Zip Code: 89118

Phone: 7029393254

Email: ahuysmans@galaxygaming.com

Rule Petition Type: Amend Rule – I am requesting WSGC to change an existing rule.

==Amend Rule – I am requesting WSGC to change an existing rule.==

List rule number (WAC) if known: 230-15-050

I am requesting the following change:

Requesting to change Rule 230-15-050 (2) to be in line with Rule 230-15-455 (2)(a)(i).

Specifically, so the operator who is running a house-banked jackpot is allowed to keep the required jackpot money in a separate off-site bank account rather than on the premises.

This change is needed because: Operators have expressed security concerns associated with the large jackpot sums being kept on the card room premises.

The effect of this rule change will be:

Reduced risk of burglaries, theft, misappropriation of funds associated with having large cash sums on the premises.

Increased accountability and tracking of funds as the financial institutions are heavily regulated and maintain numerous records for various regulators both at the federal and state level.

The results of this submission may be viewed at:

<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.wsgc.wa.gov%2Fnode%2F18%2Fsubmission%2F2454&data=04%7C01%7Crules.coordinator%40wsgc.wa.gov%7C439394f12dc54401612908d91be08387%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C637571473367379260%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6IjEhaWwiLCJXVCi6Mn0%3D%7C1000&odata=TAB6YZGSzYL7nJhkRHj9kSEHpA11RkpQ%2F9YekHzEk%2FU%3D&reserved=0>

WAC 230-15-050 Minimum cash on hand requirements. (1) Card game licensees must have sufficient cash on hand to redeem all chips issued for play and pay out all prizes.

(2) Within three hours of opening for the business day, at a time included in the internal controls, house-banked card game licensees must have at least the following minimum amount of cash on premises in their cage, safe, and vault combined:

(a) One thousand dollars for each house-banked table on the gambling floor; plus

(b) ~~The amount of the largest single prize available excluding progressive jackpot, player-supported jackpot, and house jackpot prizes ((when WAC rules require a deposit into a separate bank account (for example, player-supported jackpots and progressive jackpots)))~~.

For example: If a house-banked card room has ~~((fifteen))~~ 15 house-banked tables and a largest single prize of ~~((twenty-three thousand dollars))~~ \$23,000, before opening, the cage must have at least ~~((thirty-eight thousand dollars))~~ \$38,000 on hand: 15 tables x \$1,000 = \$15,000 + largest single prize of \$23,000 = \$38,000.

(3) Except for the restrictions on player-supported jackpot pay outs in WAC 230-15-405 and progressive jackpot pay outs in WAC 230-15-690, licensees may pay prizes by check if sufficient funds are available on deposit.

(4) Failure to keep funds to cash in chips, pay prizes, or redeem gambling related checks is prima facie evidence of fraud. Meeting the minimum cage cash amount does not relieve the licensee from the requirement to have sufficient funds available to redeem all chips and pay out all prizes.

NEW SECTION

WAC 230-15-673 Paying out house jackpot prizes. (1) House-banked card room licensees must immediately pay out verified prizes of \$5,000 or less.

(2) For verified prizes over \$5,000, licensees must immediately pay out a minimum of \$5,000 and pay the remaining balance within 24 hours by check. The player may request that the licensee pay up to the entire prize balance by check. Licensees must then issue a check for the entire prize balance within 24 hours.

NEW SECTION

WAC 230-15-674 Keeping funds to pay house jackpot prizes. House-banked card room licensees must maintain at least the amount of the single largest house jackpot prize offered in a bank, mutual savings bank, or credit union located in Washington. Licensees must maintain a monthly record showing the daily amount of each house jackpot prize offered.

Stakeholder Feedback

From: [Ann Huysmans](#)
To: [Laydon, Ashlie \(GMB\)](#); [Gary Saul](#)
Cc: [Dolson, Sonja \(GMB\)](#); [Lohse, Jess \(GMB\)](#); [Lane, Brian \(GMB\)](#)
Subject: RE: Proposed Changes to Minimum Cash on Hand Requirements
Date: Tuesday, September 14, 2021 10:59:52 AM
Attachments: [image003.png](#)
[image005.png](#)
[Proposed Changes; Minimum cash on hand requirements.docx](#)

External Email

Hello,

My apologies for the late response – we appreciate the preview of the proposed changes and we do not have any questions or concerns with the proposed changes. We appreciate your work our request and are looking forward to the October 14 public meeting.

Any questions/concerns, please reach out.

Thank you,

Ann Huysmans

Gaming Compliance Officer

6480 Cameron Street, Suite 305 | Las Vegas | NV 89118

compliance@galaxygaming.com

ahuysmans@galaxygaming.com

Main: (702) 939.3254

Direct: (702) 479.1334

Fax: (702) 727.4727

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From: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>

Sent: Wednesday, September 8, 2021 1:58 PM

To: Ann Huysmans <ahuysmans@GalaxyGaming.com>; Gary Saul <gsaul@GalaxyGaming.com>

Cc: Dolson, Sonja (GMB) <sonja.dolson@wsgc.wa.gov>; Lohse, Jess (GMB) <jess.lohse@wsgc.wa.gov>; Lane, Brian (GMB) <brian.lane@wsgc.wa.gov>

Subject: Proposed Changes to Minimum Cash on Hand Requirements

Good afternoon,

Attached is draft language for your review. I plan to send this out to HBCR licensees this week, for their review as well, but wanted to give you a chance to review it first as the petitioner. Please let

me know if you have any concerns. We will be discussing this at our staff meeting on September 29th in preparation to present to Commissioners at their October 14th public meeting. I'll ask licensees to submit feedback by close of business on September 22, 2021. Let me know if you have any questions or if you would like to discuss this further.

Thank you,

Ashlie Laydon

Rules Coordinator | Legal and Records Division

Washington State Gambling Commission

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

☎ (360) 486-3473 | ✉ ashlie.laydon@wsgc.wa.gov



From: [Dave Magee](#)
To: [Laydon, Ashlie \(GMB\)](#)
Subject: RE: WSGC Proposed changes to minimum cash on hand requirements
Date: Thursday, September 23, 2021 12:59:57 PM
Attachments: [image003.png](#)
[image005.png](#)

External Email

We absolutely should be able to keep the promotion money in a bank account to gain interest but more importantly because we don't want to keep potentially huge amounts of cash in the cashiers cage whether insured or not. We have very limited security guards and no matter how many we have we will not try to stop an armed robber.

Dave Magee
Hawks Prairie Casino
General Manager
8318 Quinault DR NE
Lacey WA 98516
360-528-8888

From: Laydon, Ashlie (GMB) [mailto:ashlie.laydon@wsgc.wa.gov]
Sent: Thursday, September 23, 2021 12:12 PM
To: 'Dave Magee' <dmagee@hawksprairiecasino.com>
Subject: RE: WSGC Proposed changes to minimum cash on hand requirements

Dave,

Absolutely. Do you have any feedback or concerns with this proposal?

Thank you,

Ashlie

From: Dave Magee <dmagee@hawksprairiecasino.com>
Sent: Thursday, September 23, 2021 11:19 AM
To: Laydon, Ashlie (GMB) <ashlie.laydon@wsgc.wa.gov>
Subject: FW: WSGC Proposed changes to minimum cash on hand requirements

External Email

Ashlie, I have not been getting your emails regarding rule changes will you please add me to your mailing list? Thank you.

Dave Magee
Hawks Prairie Casino
General Manager
8318 Quinault DR NE
Lacey WA 98516
360-528-8888

From: Kim Charles [<mailto:kcharles@hawksprairiecasino.com>]
Sent: Wednesday, September 22, 2021 8:08 PM
To: Carol <cstanley@hawksprairiecasino.com>
Cc: Dave <dmagee@hawksprairiecasino.com>; kcharles@hawksprairiecasino.com
Subject: FW: WSGC Proposed changes to minimum cash on hand requirements

I came to work today because I wanted to make sure my emails were cleaned up before my return to work on Sunday. So glad I did there was 311 emails I had to go through and either delete or file.

I noticed this and it doesn't appear that I forwarded it to you. It reads PROPOSED and I haven't had the chance to check the website yet to see if it's officially changed.

Kim

From: Laydon, Ashlie (GMB) [<mailto:ashlie.laydon@wsgc.wa.gov>]
Sent: Friday, September 10, 2021 1:57 PM
Cc: 'Ann Huysmans'; 'Gary Saul'; Lane, Brian (GMB); Lohse, Jess (GMB); Dolson, Sonja (GMB)
Subject: WSGC Proposed changes to minimum cash on hand requirements

Good afternoon,

The Gambling Commission accepted the attached petition and chose to initiate rule-making to consider amending rules pertaining to minimum cash on hand requirements, including how licensees will maintain funds and pay out prizes. Attached is draft language for your review. Please submit written feedback to ashlie.laydon@wsgc.wa.gov or through our [website](#) by close of business on Wednesday, September 22, 2021.

Feel free to contact me via email if you have any questions.

Thank you,

Ashlie Laydon

Rules Coordinator | Legal and Records Division
Washington State Gambling Commission
P.O. Box 42400 | Olympia, WA 98504-2400
 (360) 486-3473 |  ashlie.laydon@wsgc.wa.gov



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From: [Vernon West](#)
To: [Laydon, Ashlie \(GMB\)](#)
Cc: [Jerry Howe](#)
Subject: Cash on hand requirements proposed changes
Date: Tuesday, September 14, 2021 12:29:27 PM

External Email

Hi Ashlie.

I strongly agree with the proposed changes as written and urge the Commission to adopt them in the next possible meeting.

Thank you for reaching out to me.