



You are receiving this notice because you commented on these proposed rule changes:

Notice of Permanent Rules for Gambling Promotions.

This explanatory statement concerns the Washington State Gambling Commission's adoption of Amended Sections:

WAC 230-06-030 Restrictions and conditions for gambling promotions.

WAC 230-06-031 Using wheels in promotional contests of chance, fund-raising events, or gambling activities.

The Administrative Procedure Act ([RCW 34.05.325\(6\)](#)) requires agencies to complete a concise explanatory statement before filing adopted rules with the Office of the Code Reviser. This statement must be provided to anyone who gave comment about the proposed rule-making.

Once persons who gave comment during this rule-making process have had an opportunity to receive this document, the Washington State Gambling Commission will file the amended rules with the Office of the Code Reviser.

The Washington State Gambling Commission appreciates your involvement in the rule-making process. If you have any questions, please contact Tina Griffin, Assistant Director, at Tina.Griffin@wsgc.wa.gov or at (360) 486-3546.

What are the agency's reasons for adopting this rule?

A petitioner requested that licensees be able to offer gambling promotions that:

- Allow entry based on disclosed criteria;
- Offer lottery tickets as a prize;
- Add additional merchandise or cash prizes to licensed gambling activities;
- Allow licensed manufacturers, distributors, and service suppliers to give licensees cash or merchandise to offer as a prize;
- Allow card rooms to use a physical drawing, spinning wheel or selection from a group of concealed items to award a prize; and
- Are not reviewed or approved by us when offered as outlined in the rule.

If the cash or merchandise provided by a licensed manufacturer, distributor or service supplier for a single gambling promotion exceeds \$25,000, then the licensee must have advance approval from the director to offer the gambling promotion.

Summary of all public comments received on this rule proposal and consideration of the comments. The summaries below are from stakeholders who have commented either at Commission Meetings or emailed their comments/concerns to the Commission. Please note, the spelling of these names have not all been verified.

Dolores Chiechi, Executive Director of the Recreational Gaming Association: These petitions will help licensees in one way or another. Over many months, we have expressed that we are concerned about the upcoming expense increases. So we've asked our members what things will help you offset those expenses to keep your businesses open as the wage increases come into play after the November election. These rules won't help everybody, but they will help some, and so that's why we brought them forward. She also expressed disappointment with the time to get the rule language agreed upon.

Victor Mena, President of the Recreational Gaming Association, and also Chief Operating Officer for Washington Gold Casinos: We're trying to enhance the gambling experience of our patrons. For instance, currently under the rules, it eliminates the ability to have what's called a second element of chance. What we're asking to do is to be able to have a second element without consideration. Because manufacturers, distributors and service suppliers must make cash and/or merchandise to be awarded as promotional prizes available to all operators, the likelihood is slim that such large prizes would be made available to all 50 card rooms.

George Teeny, Owner of the New Phoenix and Last Frontier: Supports the rule change.

Ian Riley, Owner of the Black Pearl Casino: Supports the rule change.

B.J. Garbe, CEO of Lake Bowl Inc.: Supports the rule change.

Dan Baker, Controller for Black Pearl Spokane: Supports the rule change.

Josh Herschlip from the Buzz Inn Steak House and Casino: Supports the rule change.

Mark Greene, owner of Lancer Lanes and Casino: Supports the rule change.

David Fretz, President of Great American Gaming Corporation: Supports the rule change.

Jim Wisler, Masque Publishing: Submitted additional rule language changes, which expanded the scope of what the petitioner was requesting.

WSGC Response:

A Notice of Rulemaking was emailed to all commercial and nonprofit card room licensees on May 9, 2016, providing stakeholders with information on how to provide feedback on the proposed rule changes. The petition and proposed rule change have been posted on our website since early May 2016.

The proposed rule change was discussed with stakeholders at the informal Study Session in April, May, July, August, September, October, and November 2016. The rule was formerly discussed at the May, July, August, September, October and November 2016 and January 2017 Commission meetings. The public was invited to provide testimony to the Commissioners on the rule proposal.

The Commissioners took into account all information through testimony and written comments in making their decision to proceed with this rule change.

If there are variances from the proposed rule and final adopted rule, state the reasons for the differences (RCW 34.05.325(6)(a)(ii)).

The original proposed rule was filed as a CR-102 on June 1, 2016. A substantial variance to the proposed rule was then made as part of the rulemaking process and the proposed rule was updated with a second CR-102 on November 23, 2016. The rulemaking proceedings were reopened for further public comment. There were no changes between the second CR-102 and the final adopted rule.