

HOUSE BILL REPORT

HB 2320

As Reported by House Committee On:
Commerce & Labor

Title: An act relating to reducing the penalty for a person conducting unlawful internet gambling in his or her primary residence for recreational purposes.

Brief Description: Reducing the penalty for a person conducting unlawful internet gambling in his or her primary residence for recreational purposes.

Sponsors: Representatives Strow, Appleton, Newhouse and Williams.

Brief History:

Committee Activity:

Commerce & Labor: 2/27/07 [DPS].

Brief Summary of Substitute Bill

- Changes the specific penalty for internet gambling from a class C felony to a gross misdemeanor for a person who gambles in his or her primary residence for recreational purposes.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives Conway, Chair; Wood, Vice Chair; Crouse, Green, Moeller and Williams.

Minority Report: Do not pass. Signed by 2 members: Representatives Condotta, Ranking Minority Member and Chandler, Assistant Ranking Minority Member.

Staff: Joan Elgee (786-7106).

Background:

In 1973, the Legislature enacted the Gambling Act to regulate and limit the nature and scope of gambling activities for the purposes of keeping the criminal element out of gambling and promoting the social welfare of the people.

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.

Gambling is strictly regulated and several criminal statutes address illegal gambling. For example, a person is engaged in unlawful "professional gambling" when he or she acts other than in an authorized manner and pays a fee to participate in a contest of chance or other gambling activity. The penalty for professional gambling ranges from a class B felony to a gross misdemeanor depending on the defendant's level of involvement in the activity.

A person who knowingly transmits or receives gambling information by telephone, telegraph, radio, semaphore, the internet, a telecommunications transmission system, or similar means, or installs or maintains equipment for gambling information is guilty of a class C felony.

Depending on the particular facts, a person who participates in unlawful internet gambling may also commit the crime of professional gambling.

In October 2006, Congress adopted the Unlawful Internet Gambling Enforcement Act (Act). The Act criminalizes the acceptance of funds by operators of gambling websites.

Summary of Substitute Bill:

A person who knowingly transmits or receives gambling information over the internet, or installs or maintains equipment for internet transmission or receipt of gambling information in his or her primary residence for recreational purposes is guilty of a gross misdemeanor. "Recreational purposes" is defined as solely for the defendants' own enjoyment and not as part of an enterprise that derives income from operating an internet website that transmits or receives gambling information.

Substitute Bill Compared to Original Bill:

The substitute bill changes the penalty from a misdemeanor to a gross misdemeanor.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support, from testimony on related bill HB 2127) If you choose to gamble in your own home, as long as you are doing it for recreational purposes and not running a gambling web site, you should not face one to five years in jail. The penalty passed last year is excessive and an unnecessary intrusion into people's lives.

(Opposed, from testimony on related bill HB 2127) There are dangers associated with gambling and this bill continues our slide down a slippery slope.

(Other, from testimony on related bill HB 2127) The Gambling Commission has not taken a position but they did support a tiered approach last year and a gross misdemeanor is in line with that.

Persons Testifying: (In support, from testimony on related bill HB 2127) Representative Strow, prime sponsor.

(Opposed, from testimony on related bill HB 2127) Yoshe Revelle.

(Other, from testimony on related bill HB 2127) Amy Hunter, Washington State Gambling Commission.

Persons Signed In To Testify But Not Testifying: None.