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**Commerce & Labor Committee**

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**HB 2355**

**Brief Description:** Clarifying the definition of gambling for the purpose of assisting in the regulation and control of gambling.

**Sponsors:** Representatives Simpson and Ericks.

**Brief Summary of Bill**

- Modifies the definition of "gambling" for purposes of the Gambling Act to include conditional stakes or risks and conditional agreements that something of value may or will be received.

**Hearing Date:** 1/20/10

**Staff:** Joan Elgee (786-7106).

**Background:**

In 1973 the Legislature enacted the Gambling Act (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.

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 professional gambling crimes range from a class B felony to a gross misdemeanor depending on the defendant's level of involvement in the activity.

In 2006 the Legislature expressly included Internet and telecommunications systems as prohibited methods of transmitting or receiving wagers or other gambling information. The penalty for knowingly engaging in such illegal transmission or receipt was increased from a gross misdemeanor to 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.

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*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.*

For purposes of the Act, "gambling" is the staking or risking something of value upon the outcome of a contest of chance or a future contingent event not under the person's control or influence, upon an agreement or understanding that the person or someone else will receive something of value in the event of a certain outcome.

In January 2009 the Washington State Court of Appeals, Division II, held that an Internet betting exchange in which customers were not required to pay their losses did not constitute "gambling" under the Act. The Washington Supreme Court has accepted review of the case.

Violation of gambling laws may result in a fine or forfeiture.

**Summary of Bill:**

The definition of "gambling" is modified to refer to conditional, as well as unconditional, stakes or risks and conditional, as well as unconditional, agreements that something of value may or will be received.

"Gambling" is conditionally or unconditionally staking or risking something of value upon the outcome of a contest of chance or a future contingent event not under the person's control or influence, upon a conditional or unconditional agreement that the person or someone else will or may receive something of value in the event of a certain outcome.

Language is added to the intent section of the Act to declare that fines and forfeitures provide resources to law enforcement and the court system to assist in the regulation and control of gambling.

**Appropriation:** None.

**Fiscal Note:** Available.

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