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HOUSE BILL 2364

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State of Washington

54th Legislature

1996 Regular Session

By Representatives Goldsmith, Romero, Sheldon, Chappell, Hymes, Koster, Mulliken, Sterk, Horn, Schoesler, Blanton, Radcliff, Buck, Morris, Quall, D. Schmidt, Thompson, Scott, Costa, Linville and Kessler

Read first time 01/10/96. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to video lottery terminals; adding a new section to  
2 chapter 9.46 RCW; and creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** This act is intended to provide: Equality  
5 for all citizens of the state of Washington who provide gaming  
6 activities for social and recreational enjoyment; significant funding  
7 for common school construction; for the development of sports  
8 facilities throughout the state of Washington; assistance for counties  
9 and cities to provide for local law enforcement; help for individuals  
10 that may need assistance in controlling their desire to participate in  
11 gaming activities.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 9.46 RCW  
13 to read as follows:

14 (1) Video lottery terminals are authorized pursuant to approval by  
15 each county and city legislative body as provided for in this section.

16 (a) Until July 1, 1998, licenses may be issued only for locations  
17 with a license for on the premises consumption of alcoholic beverages  
18 that were also licensed for social card games or pull-tabs by the

1 gambling commission under this chapter. After June 30, 1998, a license  
2 may be issued under this section for locations with a license for on  
3 the premises consumption of alcoholic beverages.

4 (b) Only bona fide charitable or nonprofit organizations as defined  
5 in RCW 9.46.0209 that hold a gambling license as of January 1, 1996,  
6 will be allowed ten video lottery terminals on premises.

7 (c) Beginning July 1, 1998, organizations qualified under (b) of  
8 this subsection will be allowed up to twenty video lottery terminals on  
9 premises.

10 (d) Except as provided in (f) of this subsection, until July 1,  
11 1998, there may be up to five video lottery terminals on premises.

12 (e) Except as provided in (f) of this subsection, beginning July 1,  
13 1998, there may be up to ten video lottery terminals on premises.

14 (f) A licensed card room may have one video lottery terminal for  
15 each card table in addition to those permitted under (d) and (e) of  
16 this subsection.

17 (2) At least eighty percent of the amount wagered shall be returned  
18 to the player from each video lottery terminal licensed under this  
19 section.

20 (3)(a) Licensees shall receive fifty percent of the net win from  
21 each video lottery terminal as provided for in subsection (14) of this  
22 section through December 1, 2000.

23 (b) The gambling commission shall contract for an outside review of  
24 the cost of operation of video lottery terminals and the division of  
25 video proceeds between total compensation paid to licensees and moneys  
26 available to the state for allocation. This report shall examine the  
27 costs and rates of return on video lottery terminals and of the  
28 provision of space and services for the operation of such terminals.  
29 The analysis shall be completed and submitted to the gambling  
30 commission by December 1, 2000.

31 (4) The remaining fifty percent of the net win from each video  
32 lottery terminal as provided for in subsection (14) of this section  
33 through December 1, 2000, shall be distributed by the Washington state  
34 gambling commission as follows:

35 (a) Sixty percent to the common school construction fund in RCW  
36 28A.515.300;

37 (b) Until July 31, 2006, thirty-five percent shall be allocated to  
38 counties based on the number of registered voters as of March 1st of  
39 each year as follows: Nine hundred thousand or more registered voters,

1 forty-six percent; two hundred thousand or more registered voters,  
2 twenty-seven percent of the thirty-five percent; twenty-seven percent  
3 of the thirty-five percent to the remaining counties; the proceeds will  
4 be distributed by each county legislative authority for construction  
5 and maintenance of sports facilities, the proceeds from that percentage  
6 shall revert to the common school construction fund in RCW 28A.515.300  
7 on July 31, 2006;

8 (c) Two percent of the fifty percent shall be allocated to counties  
9 that authorize video lottery terminals. Distribution of the funds  
10 shall be based on the number of registered voters in the county as of  
11 March 1st of each year;

12 (d) Two percent of the fifty percent shall be allocated to cities  
13 that authorize video lottery terminals. Distribution of the funds  
14 shall be based on the number of registered voters in the city as of  
15 March 1st of each year;

16 (e) One percent of the fifty percent to the Washington state  
17 gambling commission for problem gambling.

18 (5) Licensees may purchase or lease video lottery terminals only  
19 from sources authorized to operate in the state by the Washington state  
20 gambling commission.

21 (6) License fees under this section are five hundred dollars per  
22 terminal per year.

23 (7) Licensees must be residents of the state of Washington.

24 (8) Ninety-five percent of the ownership of the individual  
25 proprietor, partnership, or corporation owning the establishment must  
26 be Washington state residents, approved by the gambling commission.  
27 Owners of establishments licensed on the effective date of this section  
28 shall be grandfathered in.

29 (9) Ninety-five percent of the ownership of the individual  
30 proprietor, partnership, or corporation owning the commercial route  
31 operation must be Washington state residents, approved by the gambling  
32 commission. Those licensed on the effective date of this section shall  
33 be grandfathered in.

34 (10) Ninety-five percent of the ownership of the individual  
35 proprietor, partnership, or corporation owning the distributorship must  
36 be Washington state residents, approved by the gambling commission.  
37 Those licensed on the effective date of this section shall be  
38 grandfathered in.

1 (11) There is a two-year state residency requirement for  
2 distributors, commercial route operators, and establishments. Those  
3 licensed on the effective date of this section shall be grandfathered  
4 in.

5 (12) Only certified state authorized technicians may service the  
6 video lottery terminals.

7 (13) A manufacturer of video lottery terminals may not be licensed  
8 as a video lottery terminal commercial operator or distributor or own,  
9 manage, or control a licensed establishment.

10 (14) As used in this section, "net win" means the amount played  
11 minus the amount paid to the player.

12 (15) As used in this section, "sports facilities" means baseball,  
13 football, basketball, horse racing, hockey, and play field facilities.

14 (16) As used in this section "video lottery terminals" means video  
15 reproductions of authorized card games that use a fifty-two card or  
16 standard poker card deck that meet all of the requirements and  
17 standards as set forth by the gambling commission and that have been  
18 specifically licensed and approved for use within this state by the  
19 gambling commission.

20 (17) The gambling commission shall adopt rules to administer and  
21 enforce this section.

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