

SENATE BILL REPORT

SB 5994

As Reported By Senate Committee On:
Labor, Commerce, Research & Development, March 1, 2005

Title: An act relating to limiting the location and number of house-banked card rooms.

Brief Description: Limiting the number and location of house-banked card rooms.

Sponsors: Senators Prentice and Rasmussen.

Brief History:

Committee Activity: Labor, Commerce, Research & Development: 2/24/05, 3/1/05 [DPS, DNP, w/oRec].

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5994 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kohl-Welles, Chair; Franklin, Vice Chair; Brown, Keiser and Prentice.

Minority Report: Do not pass.

Signed by Senators Hewitt and Honeyford.

Minority Report: That it be referred without recommendation..

Signed by Senator Parlette.

Staff: John Dziedzic (786-7784)

Background: The Gambling Act grants exclusive authority to the Washington State Gambling Commission (WSGC) with respect to the licensing and regulation of gambling activities, which include house-banked card games or mini-casinos; player-banked card games; and punch boards, pull tabs, and bingo. A license issued by the WSGC authorizes the licensee to engage in the licensed gambling activity throughout a city or county across the state, except in a city or county that has prohibited the gambling activity for which the license is issued.

An ordinance adopted in 2000 by the City of Edmonds banned certain new gambling facilities, but allowed existing ones to continue to operate for five years. The ordinance was partially invalidated by the State Court of Appeals in June 2003. The court ruled that the "phasing-out" provision amounted to a regulation of gambling activity and was pre-empted by the Gambling Act. In December 2004, the same division of the State Court of Appeals upheld a Pierce County ordinance adopted in 1999 that prohibits all house-banked card games after a specified date. The court also ruled that the ban was not an unconstitutional taking, and thus did not require compensation to the licensee.

The WSGC currently identifies nearly 20 jurisdictions having zoning ordinances, partial bans, or moratoria that may be affected by these court decisions.

Summary of Substitute Bill: The WSGC is prohibited from issuing or renewing a license for house-banked card games except in a location specified in an existing license or pending license application as of February 1, 2005. A holder of an existing or pending license is authorized to continue operating in the location identified in the license, unless, the city or county in which the licensee operates has adopted an ordinance prohibiting such gambling activity throughout the jurisdiction, and the prohibition is in effect on the renewal date of the license

Substitute Bill Compared to Original Bill: A provision requiring that a jurisdiction's ordinance prohibiting gambling activity had to be adopted after the effective date of this act is removed. The provision allowing gambling activity to continue at any location specified in a pending application is clarified to eliminate locations specified in a license that is denied.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This is a simple, straight-forward solution to a problem that the state and local jurisdictions have been struggling with for years: those commercial gambling houses that are in place today can stay, unless the city exercises its current authority to absolutely ban the activity; and no more are allowed.

Testimony Against: The grandfathering of existing facilities and an absolute freeze unnecessarily restricts the flexibility of local jurisdictions to address these matters locally through zoning decisions.

Who Testified: PRO: Senator Prentice, prime sponsor; Jim Justin, Association of WA Cities. OTHER: Rick Day, Amy Hunter, WA Gambling Commission.

CON: John Ziobro, City of Kennewick; Dolores Chiechi, Steve Lindstrom, Recreational Gaming Association.