AN ACT Relating to loot boxes and similar types of mechanisms in online games and apps; creating a new section; and providing an expiration date.

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

NEW SECTION. Sec. 1. (1) The use of loot boxes and similar types of mechanisms that provide randomized virtual items in online games or apps has raised a number of serious problems and concerns, including: (a) Whether games and apps containing these mechanisms are considered gambling under Washington law; (b) whether these mechanisms belong in games and apps; (c) whether minors and other young people, who may be more vulnerable to gambling addiction, should have access to games and apps with these mechanisms; and (d) the lack of disclosure and transparency with respect to the odds of receiving each type of virtual item.

(2) The Washington state gambling commission must conduct a study of the use of loot boxes and similar types of mechanisms in online games or apps. In conducting the study, the Washington state gambling commission must consider and gather information related to the problems and concerns described in subsection (1) of this section, legislation and regulation from other jurisdictions, and other
matters the Washington state gambling commission determines are relevant.

(3) Not later than December 1, 2018, the Washington state gambling commission must provide the appropriate committees of the legislature written findings and provide recommendations regarding how to best regulate the practice of including loot boxes and similar types of mechanisms in online games and apps, including options for the adoption and implementation of a regulatory and enforcement system, restrictions on the sale of games containing these mechanisms, and any appropriate disclosures.

(4) The Washington state gambling commission must consult with stakeholders in conducting the study and in making its recommendations.

(5) This section expires December 1, 2019.

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