

# HOUSE BILL REPORT

## HB 2510

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**As Reported By House Committee On:**  
Commerce & Labor

**Title:** An act relating to social card games.

**Brief Description:** Changing social card game provisions.

**Sponsors:** Representatives Thompson, Quall, L. Thomas, Clements, D. Schmidt, Blanton, Buck, Schoesler, Cairnes and Conway.

**Brief History:**

**Committee Activity:**

Commerce & Labor: 1/24/96, 2/1/96 [DP].

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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass. Signed by 10 members: Representatives McMorris, Chairman; Thompson, Vice Chairman; Romero, Ranking Minority Member; Conway, Assistant Ranking Minority Member; Cairnes; Cody; Fuhrman; Goldsmith; Horn and Lisk.

**Minority Report:** Do not pass. Signed by 1 member: Representative Hargrove, Vice Chairman.

**Staff:** Pam Madson (786-7166).

**Background:** State law authorizes owners of established businesses to conduct social card games as a stimulant to the existing business. Businesses that qualify to use social card games for this purpose are those that sell food and beverages to be consumed on the premises as part of the business operation. These businesses are licensed by the Gambling Commission as commercial stimulant licensees. Bona fide charitable and nonprofit organizations may also use card games to raise money for the organizations' charitable purposes.

The Gambling Commission regulates the conduct of social card games including the amounts wagered, hours of operation, number of players per table, and types of games that can be played.

For a social card game to qualify as legal gambling activity, the card game must include all of the following characteristics. It must consist of two or more participants who are players. The success at winning must be largely determined by the player's skill. No percentage of the amounts wagered or won may be collected or shared by anyone except for players collecting their winnings. A fee no greater than \$3 dollars for each half-hour may be charged by the business to a player for participation in the card game. A fee not to exceed \$50 dollars may be charged to players who enter a card tournament for prizes. These fee limitations do not apply to membership fees in a bona fide charitable or nonprofit organization.

A licensee operating a card room may have up to five tables at which card games can be played.

For a social card game to be a legal form of gambling, the game must involve two or more players as participants. Current law does not allow a social card room licensee to participate in a card game as a banker or otherwise. A house banked card game is one where the card room owner or business entity functions as the participant against whom all other players wager.

Player-supported progressive prize contests or jackpots are not authorized gambling activity and the licensee may not participate as custodian of the prize or otherwise.

**Summary of Bill:** Businesses licensed by the Gambling Commission to operate card rooms may participate as bankers, or may serve as custodians of player-supported progressive prize contests for games authorized by the commission.

A licensee may charge a fee to allow a player to participate in a card game without any restriction as to amount.

A public card room licensee may operate up to 15 tables at which card games can be played.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** Card room operators and punchboard and pull tab licensees have seen a significant drop in business, particularly those businesses located near tribal casinos. Without some immediate relief, many card rooms and those operating punchboards and pull tabs may be unable to compete and will go out of business. Many have laid off employees. They can no longer afford to provide medical and retirement benefits to employees. With the influx of casino gambling, card rooms

need to be able to offer standard card games like house-banked blackjack. With house-banked games, there is a need to increase the number of tables allowed for each license. Now that gambling is in Washington, there is a need to set up industry standards and then let everybody compete.

**Testimony Against:** Local governments should have the option to allow this level of gambling activity in the community. Increasing the number of tables and allowing house-banked card games is moving to mini casinos.

**Testified:** Representative Bill Thompson, prime sponsor; (In favor) Dave Storkson; Bill Tackitt; Steven Downen; George Tweeney; Dave Pardy; Fred Steiner; Vern Pruss; Bob Materne; Gary McCleanahm; Art Lawerson; Robert Saucier; Jim Springer; Gary Murrey; Alan McWain; Tim Hurst; Bob Synoground; Kit Hawkins, Restaurant Association; and Ken Koski. (Opposed) Dick Dorsett, Pierce County; and Maureen Morris, Association of Washington Cities. (For information) Frank Miller Washington State Gambling Commission.