
SUBSTITUTE HOUSE BILL 2177

State of Washington

56th Legislature

1999 Regular Session

By House Committee on Commerce & Labor (originally sponsored by Representatives Conway, Clements, Barlean and Lantz)

Read first time 03/02/1999.

1 AN ACT Relating to the gambling commission process for applications
2 for house-banked card rooms; amending RCW 9.46.070; adding new sections
3 to chapter 9.46 RCW; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 9.46 RCW
6 to read as follows:

7 (1) The commission may grant an application for participation in
8 the house-banked card room pilot program or a subsequent house-banked
9 card room license established by the commission only after public
10 notification and local public meetings have been completed consistent
11 with this section.

12 (2) The commission shall establish a process for early and
13 continuous public participation in the granting of applications for
14 participation in the house-banked card room pilot program and for any
15 subsequent house-banked card room license established by the
16 commission. This process shall include public meetings in the local
17 communities affected and opportunities for written and oral comments.

18 Notification shall be provided to the following:

1 (a) All newspapers of general circulation in the local area and all
2 local radio stations, television stations, and cable networks;

3 (b) The local law enforcement agencies and any other local agency
4 or organization that requests such notification from the commission;

5 (c) All residents and/or property owners within a one-half mile
6 radius of the proposed card room location; and

7 (d) Churches, schools, and public institutions within a one-half
8 mile radius of the licensed card room location.

9 (3) If requested, the applicant shall meet with neighboring
10 residents, organizations, and public agencies regarding any reasonable
11 concerns they may have on the impact of the gambling activity on the
12 neighboring area.

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

15 (1) When an application is made by a new applicant or by an
16 existing card room licensee for participation in the card room pilot
17 program or any successor licensing program for house-banked card rooms,
18 the gambling commission shall notify the legislative authority of the
19 city or town in which the application may be granted, or the county
20 legislative authority for applications submitted from unincorporated
21 areas.

22 (2) The legislative authority of the county, city, or town may
23 request that the gambling commission halt any consideration of the
24 application and any subsequent applications from the same or any other
25 applicant based on the need to consider the local impact of granting
26 the applications. The gambling commission shall grant the request and
27 take no action on the application or any subsequent applications prior
28 to April 1, 2000.

29 **Sec. 3.** RCW 9.46.070 and 1993 c 344 s 1 are each amended to read
30 as follows:

31 The commission shall have the following powers and duties:

32 (1) To authorize and issue licenses for a period not to exceed one
33 year to bona fide charitable or nonprofit organizations approved by the
34 commission meeting the requirements of this chapter and any rules and
35 regulations adopted pursuant thereto permitting said organizations to
36 conduct bingo games, raffles, amusement games, and social card games,
37 to utilize punch boards and pull-tabs in accordance with the provisions

1 of this chapter and any rules and regulations adopted pursuant thereto
2 and to revoke or suspend said licenses for violation of any provisions
3 of this chapter or any rules and regulations adopted pursuant thereto:
4 PROVIDED, That the commission shall not deny a license to an otherwise
5 qualified applicant in an effort to limit the number of licenses to be
6 issued: PROVIDED FURTHER, That the commission or director shall not
7 issue, deny, suspend, or revoke any license because of considerations
8 of race, sex, creed, color, or national origin: AND PROVIDED FURTHER,
9 That the commission may authorize the director to temporarily issue or
10 suspend licenses subject to final action by the commission;

11 (2) To authorize and issue licenses for a period not to exceed one
12 year to any person, association, or organization operating a business
13 primarily engaged in the selling of items of food or drink for
14 consumption on the premises, approved by the commission meeting the
15 requirements of this chapter and any rules and regulations adopted
16 pursuant thereto permitting said person, association, or organization
17 to utilize punch boards and pull-tabs and to conduct social card games
18 as a commercial stimulant in accordance with the provisions of this
19 chapter and any rules and regulations adopted pursuant thereto and to
20 revoke or suspend said licenses for violation of any provisions of this
21 chapter and any rules and regulations adopted pursuant thereto:
22 PROVIDED, That the commission shall not deny a license to an otherwise
23 qualified applicant in an effort to limit the number of licenses to be
24 issued except as provided under section 2 of this act: PROVIDED
25 FURTHER, That the commission may authorize the director to temporarily
26 issue or suspend licenses subject to final action by the commission;

27 (3) To authorize and issue licenses for a period not to exceed one
28 year to any person, association, or organization approved by the
29 commission meeting the requirements of this chapter and meeting the
30 requirements of any rules and regulations adopted by the commission
31 pursuant to this chapter as now or hereafter amended, permitting said
32 person, association, or organization to conduct or operate amusement
33 games in such manner and at such locations as the commission may
34 determine;

35 (4) To authorize, require, and issue, for a period not to exceed
36 one year, such licenses as the commission may by rule provide, to any
37 person, association, or organization to engage in the selling,
38 distributing, or otherwise supplying or in the manufacturing of devices

1 for use within this state for those activities authorized by this
2 chapter;

3 (5) To establish a schedule of annual license fees for carrying on
4 specific gambling activities upon the premises, and for such other
5 activities as may be licensed by the commission, which fees shall
6 provide to the commission not less than an amount of money adequate to
7 cover all costs incurred by the commission relative to licensing under
8 this chapter and the enforcement by the commission of the provisions of
9 this chapter and rules and regulations adopted pursuant thereto:
10 PROVIDED, That all licensing fees shall be submitted with an
11 application therefor and such portion of said fee as the commission may
12 determine, based upon its cost of processing and investigation, shall
13 be retained by the commission upon the withdrawal or denial of any such
14 license application as its reasonable expense for processing the
15 application and investigation into the granting thereof: PROVIDED
16 FURTHER, That if in a particular case the basic license fee established
17 by the commission for a particular class of license is less than the
18 commission's actual expenses to investigate that particular
19 application, the commission may at any time charge to that applicant
20 such additional fees as are necessary to pay the commission for those
21 costs. The commission may decline to proceed with its investigation
22 and no license shall be issued until the commission has been fully paid
23 therefor by the applicant: AND PROVIDED FURTHER, That the commission
24 may establish fees for the furnishing by it to licensees of
25 identification stamps to be affixed to such devices and equipment as
26 required by the commission and for such other special services or
27 programs required or offered by the commission, the amount of each of
28 these fees to be not less than is adequate to offset the cost to the
29 commission of the stamps and of administering their dispersal to
30 licensees or the cost of administering such other special services,
31 requirements or programs;

32 (6) To prescribe the manner and method of payment of taxes, fees
33 and penalties to be paid to or collected by the commission;

34 (7) To require that applications for all licenses contain such
35 information as may be required by the commission: PROVIDED, That all
36 persons (a) having a managerial or ownership interest in any gambling
37 activity, or the building in which any gambling activity occurs, or the
38 equipment to be used for any gambling activity, or (b) participating as
39 an employee in the operation of any gambling activity, shall be listed

1 on the application for the license and the applicant shall certify on
2 the application, under oath, that the persons named on the application
3 are all of the persons known to have an interest in any gambling
4 activity, building, or equipment by the person making such application:
5 PROVIDED FURTHER, That the commission may require fingerprinting and
6 background checks on any persons seeking licenses under this chapter or
7 of any person holding an interest in any gambling activity, building,
8 or equipment to be used therefor, or of any person participating as an
9 employee in the operation of any gambling activity;

10 (8) To require that any license holder maintain records as directed
11 by the commission and submit such reports as the commission may deem
12 necessary;

13 (9) To require that all income from bingo games, raffles, and
14 amusement games be recorded and reported as established by rule or
15 regulation of the commission to the extent deemed necessary by
16 considering the scope and character of the gambling activity in such a
17 manner that will disclose gross income from any gambling activity,
18 amounts received from each player, the nature and value of prizes, and
19 the fact of distributions of such prizes to the winners thereof;

20 (10) To regulate and establish maximum limitations on income
21 derived from bingo. In establishing limitations pursuant to this
22 subsection the commission shall take into account (i) the nature,
23 character, and scope of the activities of the licensee; (ii) the source
24 of all other income of the licensee; and (iii) the percentage or extent
25 to which income derived from bingo is used for charitable, as
26 distinguished from nonprofit, purposes. However, the commission's
27 powers and duties granted by this subsection are discretionary and not
28 mandatory;

29 (11) To regulate and establish the type and scope of and manner of
30 conducting the gambling activities authorized by this chapter,
31 including but not limited to, the extent of wager, money, or other
32 thing of value which may be wagered or contributed or won by a player
33 in any such activities;

34 (12) To regulate the collection of and the accounting for the fee
35 which may be imposed by an organization, corporation or person licensed
36 to conduct a social card game on a person desiring to become a player
37 in a social card game in accordance with RCW ((9.46.0281(4)))
38 9.46.0282;

1 (13) To cooperate with and secure the cooperation of county, city,
2 and other local or state agencies in investigating any matter within
3 the scope of its duties and responsibilities;

4 (14) In accordance with RCW 9.46.080, to adopt such rules and
5 regulations as are deemed necessary to carry out the purposes and
6 provisions of this chapter. All rules and regulations shall be adopted
7 pursuant to the administrative procedure act, chapter 34.05 RCW;

8 (15) To set forth for the perusal of counties, city-counties,
9 cities and towns, model ordinances by which any legislative authority
10 thereof may enter into the taxing of any gambling activity authorized
11 by this chapter;

12 (16) To establish and regulate a maximum limit on salaries or wages
13 which may be paid to persons employed in connection with activities
14 conducted by bona fide charitable or nonprofit organizations and
15 authorized by this chapter, where payment of such persons is allowed,
16 and to regulate and establish maximum limits for other expenses in
17 connection with such authorized activities, including but not limited
18 to rent or lease payments. However, the commissioner's powers and
19 duties granted by this subsection are discretionary and not mandatory.

20 In establishing these maximum limits the commission shall take into
21 account the amount of income received, or expected to be received, from
22 the class of activities to which the limits will apply and the amount
23 of money the games could generate for authorized charitable or
24 nonprofit purposes absent such expenses. The commission may also take
25 into account, in its discretion, other factors, including but not
26 limited to, the local prevailing wage scale and whether charitable
27 purposes are benefited by the activities;

28 (17) To authorize, require, and issue for a period not to exceed
29 one year such licenses or permits, for which the commission may by rule
30 provide, to any person to work for any operator of any gambling
31 activity authorized by this chapter in connection with that activity,
32 or any manufacturer, supplier, or distributor of devices for those
33 activities in connection with such business. The commission shall not
34 require that persons working solely as volunteers in an authorized
35 activity conducted by a bona fide charitable or bona fide nonprofit
36 organization, who receive no compensation of any kind for any purpose
37 from that organization, and who have no managerial or supervisory
38 responsibility in connection with that activity, be licensed to do such
39 work. The commission may require that licensees employing such

1 unlicensed volunteers submit to the commission periodically a list of
2 the names, addresses, and dates of birth of the volunteers. If any
3 volunteer is not approved by the commission, the commission may require
4 that the licensee not allow that person to work in connection with the
5 licensed activity;

6 (18) To publish and make available at the office of the commission
7 or elsewhere to anyone requesting it a list of the commission
8 licensees, including the name, address, type of license, and license
9 number of each licensee;

10 (19) To establish guidelines for determining what constitutes
11 active membership in bona fide nonprofit or charitable organizations
12 for the purposes of this chapter; and

13 (20) To perform all other matters and things necessary to carry out
14 the purposes and provisions of this chapter.

15 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
16 preservation of the public peace, health, or safety, or support of the
17 state government and its existing public institutions, and takes effect
18 immediately.

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