

**ESHB 2638** - S AMD TO S-7375.1 1330

By Senator Rivers

**NOT ADOPTED 03/05/2020**

1 On page 1, after 13, insert

2 "In addition, the legislature intends that card rooms are  
3 currently licensed should be allowed to conduct sport wagering.

4

5 On page 1, line 29, after "(2)" insert the following:

6 "Beginning January 1, 2024, card rooms may conduct sports  
7 wagering through sports pools and online sports pools at the card  
8 room facility as provided in this chapter.

9 (3) The commission may issue licenses prior to January 1, 2024,  
10 to be effective on January 1, 2024. The commission may not issue a  
11 sports wagering license to any person or entity unless it was  
12 licensed and in operation as a card room as of January 1, 2020, and  
13 has established its financial stability, integrity, responsibility,  
14 good character, and honesty. No license to operate a sports pool may  
15 be issued to any person or entity that is disqualified for a license  
16 under chapter 9.46 or 67.16 RCW. The commission has the authority to  
17 charge a card room a fee for the issuance of a sports wagering  
18 license in an amount of five hundred thousand dollars for the  
19 initial issuance and, in the case of a renewal, a reasonable fee  
20 adopted by rule that is based upon the expense associated with  
21 renewal, enforcement, and programs for the prevention and treatment  
22 of problem gambling.

23 (4) "

24 On page 1, line 29, after "provisions of", strike " Sports  
25 wagering conducted pursuant to the provisions of a class III gaming  
26 compact entered into by a tribe and the state pursuant to RCW

27

1 9.46.360" and insert "Sports wagering conducted pursuant to the  
2 provisions of this chapter"

3

4 On page 2, line 2, after "9.46.225." insert the following:

5

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

8 (1) No sports wagering may be offered or made available to the  
9 public, except as provided in this chapter.

10 (2) Any person who offers sports wagering without a license or  
11 pursuant to a compact is guilty of a class B felony and is subject  
12 to a fine of not more than twenty-five thousand dollars, and, in the  
13 case of a person other than a natural person, a fine of not more  
14 than one hundred thousand dollars.

15

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

18 (1)(a) Any person who: (i) Is an athlete, coach, referee, or  
19 director of a sports governing body or any of its member teams; (ii)  
20 is a sports governing body or any of its member teams; (iii) is a  
21 player or a referee personnel member in or on any sports event  
22 overseen by that person's sports governing body based on publicly  
23 available information; (iv) holds a position of authority or  
24 influence sufficient to exert influence over the participants in a  
25 sporting contest, including, but not limited to, coaches, managers,  
26 handlers, athletic trainers, or horse trainers; (v) has access to  
27 certain types of exclusive information on any sports event overseen  
28 by that person's sports governing body based on publicly available  
29 information; or (vi) is identified by any lists provided by the  
30 sports governing body to the commission, may not have any ownership  
31 interest in, control of, or otherwise be employed by, an operator, a  
32 sports wagering licensee, or a facility in which sports wagering is  
33 or will be conducted, or place a wager on a sports event that is  
34 overseen by that person's sports governing body based on publicly

1 available information. Any person who violates this subsection is  
2 guilty of a misdemeanor and must, upon conviction, be punished by  
3 either imprisonment in the county jail for a maximum term fixed by  
4 the court of not more than ninety days or a fine in an amount fixed  
5 by the court of not more than one thousand dollars, or both.

6 (b) Any employee of a sports governing body or its member teams  
7 who is not prohibited from wagering on a sports event must provide  
8 notice to the commission prior to placing a wager on a sports event.

9 (c) The direct or indirect legal or beneficial owner of ten  
10 percent or more of a sports governing body or any of its member  
11 teams may not place or accept any wager on a sports event in which  
12 any member team of that sports governing body participates.

13 (2) The prohibition set forth in subsection (1) of this section  
14 does not apply to any person who is a direct or indirect owner of a  
15 specific sports governing body member team, and (a) the person has  
16 less than ten percent direct or indirect ownership interest in a  
17 casino or racetrack, or (b) the shares of such person are registered  
18 pursuant to section 12 of the securities exchange act of 1934 (15  
19 U.S.C. Sec. 781), as amended, and the value of the ownership of such  
20 team represents less than one percent of the person's total  
21 enterprise value.

22 (3) An operator must adopt procedures to prevent persons who are  
23 prohibited from placing sports wagers from wagering on sports events.

24 (4) An operator may not accept wagers from any person whose  
25 identity is known to the operator and:

26 (a) Whose name appears on any self-exclusion programs list  
27 provided under RCW 9.46.071;

28 (b) Who is the operator, director, officer, owner, or employee  
29 of the operator or any relative thereof living in the same household  
30 as the operator;

31 (c) Who has access to nonpublic confidential information held by  
32 the operator; or

33 (d) Who is an agent or proxy for any other person.

34

1 (5) An operator must adopt procedures to obtain personally  
2 identifiable information from any individual who places any single  
3 wager in an amount of ten thousand dollars or greater on a sports  
4 event while physically present in a tribal casino or card room  
5 facility.

6 (6) For purposes of this section, "operator" means a tribal  
7 casino or card room conducting sport wagering.

8

9 NEW SECTION. **Sec. 3.** A new section is added to chapter 9.46  
10 RCW to read as follows:

11 (1) The commission may adopt rules to implement section 2 of  
12 this act. These rules may not be more restrictive for card rooms  
13 conducting sport wagering than the provisions authorizing sports  
14 wagering in any tribe's class III gaming compact with the state.

15 (2) The rules may address the following:

16 (a) Documentation and forms required for licensing;

17 (b) Licensing of employees conducting sport wagering;

18 (c) How wagering may be conducted, including requiring licensees  
19 to adopt and display its house rules governing sport wagering  
20 transactions;

21 (d) How unclaimed winnings may be disbursed, including providing  
22 for a percentage of the unclaimed winning to be remitted to the  
23 problem gambling account created in RCW 41.05.751; and

24 (e) Other matters as the commission deems necessary to protect  
25 the public and integrity of sport wagering."

26 Renumber the remaining sections consecutively and correct any  
27 internal references accordingly.

28

29 On page 12, line 21, after "gaming facility", insert "or a card  
30 room"

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32 On page 12, line 23, after "gaming facility", insert "or a card  
33 room"

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1 On page 13, line 5, after "1", strike everything through page  
2 13, line 35 and insert

3 " For purposes of this chapter:

4 (a) "Card room" means a business licensed to conduct social card  
5 games pursuant to RCW 9.46.0325.

6 (b) "Online sports pool" means a sports wagering operation in  
7 which wagers on sports events are made through computers or mobile  
8 or interactive devices and accepted at a sports wagering lounge  
9 through an online gaming system that is operating pursuant to a  
10 sports wagering license issued by the commission.

11 (c) "Sports pool" means the business of accepting wagers on any  
12 sports event by any system or method of wagering, including, but not  
13 limited to, single-game bets, teaser bets, parlays, over/under,  
14 money line, pools, exchange wagering, in-game wagering, in-play  
15 bets, proposition bets, or straight bets.

16 (d)(i) "Sports wagering" means the business of accepting wagers  
17 on any of the following sporting events, athletic events, or  
18 competitions by any system or method of wagering:

19 (A) A professional sport or athletic event;

20 (B) A collegiate sport or athletic event;

21 (C) An Olympic or international sports competition or event;

22 (D) An electronic sports or esports competition or event;

23 (E) A combination of sporting events, athletic events, or  
24 competitions listed in (d)(i)(A) through (D) of this subsection (1);  
25 or

26 (F) A portion of any sporting event, athletic event, or  
27 competition listed in (d)(i)(A) through (D) of this subsection (1).

28 (ii) Sports wagering does not include the business of accepting  
29 wagers on horse racing authorized pursuant to chapter 67.16 RCW.

30 (2) For purposes of this section:

31 (a) "Collegiate sport or athletic event" means a sport or  
32 athletic event offered or sponsored by, or played in connection  
33 with, a public or private institution that offers education services  
34

1 beyond the secondary level, other than such an institution that is  
2 located within the state of Washington.

3 (b) "Electronic or esports event" means a live event or  
4 tournament attended or watched by members of the public where games  
5 or matches are contested in real time by players and teams and  
6 players or teams can win a prize based on their performance in the  
7 live event or tournament.

8 (c) "Professional sport or athletic event" means an event that  
9 is not a collegiate sport or athletic event at which two or more  
10 persons participate in sports or athletic events and receive  
11 compensation in excess of actual expenses for their participation in  
12 the event."

13 On page 15, line 2, after "2021." insert the following:

14 "NEW SECTION. Sec. 4. A new section is added to chapter 82.04  
15 RCW to read as follows:

16 (1) There is levied and collected from every card room  
17 conducting sports wagering in this state, a tax in the amount of ten  
18 percent of the gaming revenue.

19 (2) Card rooms conducting sports wagering subject to the tax  
20 imposed by this section must report to the department the amount of  
21 gaming revenue earned by location. The tax imposed by this section  
22 must be paid to, and administered by, the department. The  
23 administration of the tax is governed by the provisions of chapter  
24 82.32 RCW.

25 (3) For purposes of this section:

26 (a) "Card room" has the same meaning as in section 14 of this act.

27 (b) "Gaming revenue" means the total amount wagered less  
28 winnings paid out.

29 (c) "Sports wagering" has the same meaning as in section 14 of  
30 this act."

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1 On page 1, line 2 of the title, after "compacts" strike the  
2 remainder of the title and insert "and by licensed card rooms;  
3 amending RCW 9.46.070, 9.46.130, 9.46.190, 9.46.210, 9.46.220,  
4 9.46.240, and 9.46.090; adding new sections to chapter 9.46 RCW;  
5 adding a new section to chapter 82.04 RCW; creating a new section;  
6 prescribing penalties; and making an appropriation."  
7

EFFECT: Modifies the legislative intent. Authorizes card rooms licensed as of January 1, 2020, to conduct sport wagering through sports pools and online sport pools at the card room facility effective January 1, 2024. Makes offering sports wagering without a license or pursuant to a compact a class B felony and provides fines. Prohibits certain persons and entities from making wagers, being employed by, or owning certain entities related to sport wagering and provides that violations are a misdemeanor subject to a fine. Prohibits sports wagering operators from accepting wagers from certain person, including those on self-exclusion lists. Requires operators to obtain information on those wagering \$10,000 or more. Allows the Commission to make rules to implement the authorization of sports wagering but rules related to card rooms may not be more restrictive than provisions in compacts authorizing sports wagering. Provides definitions for card rooms, sports pools, and online sports pools. Adds sports wagering without a license to the table of crimes. Provides a 10 percent tax on card rooms' gaming revenue, which is the amount wagered less winnings paid out. Removes the emergency clause, which made the act effective immediately.

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