

SENATE BILL REPORT

SHB 1302

As Reported by Senate Committee On:
Labor & Commerce, March 19, 2019

Title: An act relating to gambling addiction.

Brief Description: Creating a self-exclusion program for persons with a gambling problem or gambling disorder.

Sponsors: House Committee on Commerce & Gaming (originally sponsored by Representatives Kloba, Ryu, MacEwen, Reeves, Stanford, Vick, Kirby, Jenkin, Morgan, Appleton, Cody, Irwin, Davis, Bergquist, Jinkins, Ormsby and Thai; by request of Gambling Commission).

Brief History: Passed House: 3/05/19, 98-0.

Committee Activity: Labor & Commerce: 3/18/19, 3/19/19 [DP, w/oRec].

Brief Summary of Bill

- Requires the Washington State Gambling Commission to adopt rules establishing a statewide self-exclusion program for all gambling licensees.
- Limits the use of any personal information collected and stored under the program to the administration of the program.
- Exempts the information submitted to the state under the program from public disclosure.
- Requires the Lottery Commission to adopt rules to establish a voluntary self-exclusion program.
- Holds the state, the commission, or retailers harmless from an individual who participates in the program.

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: Do pass.

Signed by Senators Keiser, Chair; Conway, Vice Chair; Saldaña, Walsh and Wellman.

Minority Report: That it be referred without recommendation.

Signed by Senator King, Ranking Member.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Staff: Susan Jones (786-7404)

Background: The Legislature has recognized that because the state promotes and regulates gambling through the activities of the Washington State Lottery Commission, the Horse Racing Commission, and the Washington State Gambling Commission (WSGC), the state has the responsibility to continue to provide resources for services for problem and pathological gamblers.

The law required that the various agencies that regulate gambling had to jointly develop informational signs concerning problem and pathological gambling which include a toll-free hotline number. The signs must be placed in the establishments of gambling licensees, horse racing licensees, and lottery retailers. The law also allows those agencies to contract with other qualified entities to provide public awareness, training, and other services.

In addition to a 1.5 percent tax on the gross income of the business derived from contests of chance, there is an additional tax of 0.13 percent, which is deposited in the problem gambling account. The additional tax does not apply to businesses operating contests of chance when the gross income from the operation of contests of chance is less than \$50,000 per year. "Contests of chance" means any contests, games, gaming schemes, or gaming devices, other than the state lottery, in which the outcome depends in a material degree upon an element of chance, notwithstanding that skill of the contestants may also be a factor in the outcome. The term includes social card games, bingo, raffle, punchboard games, and pull-tabs.

Summary of Bill: By June 30, 2021, WSGC must adopt rules establishing a statewide self-exclusion program for all gambling licensees. The initial program must, at a minimum:

- allow for voluntary self-exclusion at house-banked social card game establishments;
- have a process for federally recognized tribes that own gambling facilities to voluntarily participate in the program; and
- prohibit any person registered in the program from gambling in activities associated with the program and forfeiting all winnings to the problem gambling account or nonprofit organization providing problem gambling services.

Personal information collected or stored related to the program may only be used to administer the program and is exempt from public inspection and copying.

The term pathological gambling is changed to gambling disorder. Findings are made regarding self-exclusion.

The Lottery Commission is required to adopt rules to establish a voluntary self-exclusion program, including exclusion from:

- enrolling in a lottery player loyalty or reward program; and
- entering or winning any second chance lottery promotion; and claiming or receiving any monetary, promotional, or merchandise lottery prize valued at more than \$600.

Monetary prizes of more than \$600 are transferred to the problem gambling account after payment of certain debts. Promotional and merchandise prizes valued at more than \$600 are retained by the lottery.

Washington State, the commission, or retailers are held harmless from an individual who participates in the program for any acts or omissions in processing or enforcing the requirements of the program.

Any personal information under the lottery self-exclusion program is exempt from dissemination for any purpose other than the administration of program.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: Gambling can be fun but not for those with a gambling problem. They need additional tools. Licensees and tribes have programs but it is a segmented system. The bill allows people in moments of clarity to exclude themselves in one place with a simple process. This is important and there is broad support for helping problem gamblers. We are glad the Lottery came on board. Tribes have signed up in support. This passed unanimously in the House. One aspect of the recent study on problem gambling is that a centralized system with enrollment at a place other than a gambling establishment is better.

Persons Testifying: PRO: Representative Shelley Kloba, Prime Sponsor; Bud Sizemore, Commissioner, Chair, Gambling Commission; Brian Considine, Legal and Legislative Manager, Gambling Commission; Dolores Chiechi, Recreational Gaming Association.

Persons Signed In To Testify But Not Testifying: No one.