

2SHB 1681 - S COMM AMD

By Committee on Business, Financial Services, Gaming & Trade

NOT CONSIDERED 05/17/2023

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that:

4 (a) The costs to society of problem gambling and gambling
5 disorder include family disintegration, criminal activity, and
6 financial insolvencies;

7 (b) Individuals experiencing problem gambling and gambling
8 disorder are at significantly increased risks for other co-occurring
9 disorders, including substance use disorder and mental health issues
10 such as depression, anxiety, or other behavioral health concerns;

11 (c) Residents of Washington may participate in a variety of legal
12 gaming activities such as the state-run lottery, tribal gaming by
13 federally recognized Indian tribes, certain fund-raisers offered by
14 bona fide charitable and nonprofit organizations, and punchboards,
15 pull-tabs, and social card games approved as a commercial stimulant
16 at established businesses primarily engaged in the selling of food or
17 drink for consumption on the premises;

18 (d) A 2021 prevalence study found that among all adults, 1.5
19 percent are at a moderate-to-severe risk for developing a gambling
20 disorder, and among adults who gamble, 3.5 percent are at a moderate-
21 to-severe risk of a gambling disorder; and

22 (e) The 2022 problem gambling task force final report, delivered
23 to the legislature in December 2022, determined there are critical
24 gaps in providing state-funded comprehensive problem gambling
25 services to Washington residents, including:

26 (i) Prevention efforts not coordinated with other behavioral
27 health and substance abuse prevention initiatives;

28 (ii) Problem gambling treatment coverage is not available across
29 the state; and

30 (iii) No state-supported residential treatment services are
31 available in Washington state.

1 (2) The legislature intends to provide long-term, dedicated
2 funding for prevention, public awareness efforts, and education
3 regarding problem gambling disorder, clinical training, workforce
4 development, and accessible treatment services for individuals
5 impacted by problem gambling or gambling disorders as well as after-
6 care support.

7 **Sec. 2.** RCW 41.05.750 and 2018 c 201 s 2004 are each amended to
8 read as follows:

9 (1) A program for (a) ~~((the prevention and))~~ year-round
10 integrated problem gambling prevention efforts that include community
11 engagement and the treatment of problem ~~((and pathological))~~ gambling
12 and gambling disorder; and (b) the support, certification, and
13 training of professionals in the identification and treatment of
14 problem ~~((and pathological))~~ gambling and gambling disorder is
15 established within the authority ~~((, to be administered by a qualified~~
16 ~~person who has training and experience in problem gambling or the~~
17 ~~organization and administration of treatment services for persons~~
18 ~~suffering from problem gambling))~~. The department of health may
19 license or certify ~~((and the))~~ behavioral health agencies for problem
20 gambling treatment. The authority may contract ~~((with treatment~~
21 ~~facilities))~~ for any services provided under the program. The
22 authority shall ~~((track))~~ conduct a program evaluation, including
23 tracking program participation and ~~((client))~~ evaluating outcomes.

24 (2) To receive treatment under subsection (1) of this section, a
25 person must:

26 (a) Need treatment for problem ~~((or pathological))~~ gambling or
27 gambling disorder, or ~~((because of the problem or pathological~~
28 ~~gambling of a family member, but be unable to afford treatment))~~ be
29 impacted by a loved one experiencing problem gambling or gambling
30 disorder; ~~((and))~~

31 (b) Be ~~((targeted))~~ identified by the authority as being most
32 amenable to and likely to benefit from treatment; and

33 (c) Be unable to afford treatment.

34 (3) Treatment under this section is available only to the extent
35 of the funds appropriated or otherwise made available to the
36 authority for this purpose. The authority may solicit and accept for
37 use any gift of money or property made by will or otherwise, and any
38 grant of money, services, or property from the federal government,
39 any tribal government, the state, or any political subdivision

1 thereof or any private source, and do all things necessary to
2 cooperate with the federal government or any of its agencies or any
3 tribal government in making an application for any grant.

4 (4) (a) The authority shall establish and facilitate an ongoing
5 advisory committee ((to assist it in designing, managing, and
6 evaluating the effectiveness of the program established in this
7 section. The advisory committee shall give due consideration in the
8 design and management of the program that persons who hold licenses
9 or contracts issued by the gambling commission, horse racing
10 commission, and lottery commission are not excluded from, or
11 discouraged from, applying to participate in the program. The
12 committee shall include, at a minimum, persons knowledgeable in the
13 field of problem and pathological gambling and persons representing
14 tribal gambling, privately owned nontribal gambling, and the state
15 lottery.

16 (5) ~~For purposes of this section, "pathological gambling" is a~~
17 ~~mental disorder characterized by loss of control over gambling,~~
18 ~~progression in preoccupation with gambling and in obtaining money to~~
19 ~~gamble, and continuation of gambling despite adverse consequences.~~
20 ~~"Problem gambling" is an earlier stage of pathological gambling which~~
21 ~~compromises, disrupts, or damages family or personal relationships or~~
22 ~~vocational pursuits)) that will hold quarterly meetings to:~~

23 (i) Track progress of recommendations from the 2022 legislative
24 problem gambling task force final report;

25 (ii) Provide advice and feedback on the state problem gambling
26 program upon request by the authority; and

27 (iii) Discuss emerging issues related to problem gambling and
28 identify possible strategies for improvement.

29 (b) The advisory committee membership must include, at a minimum,
30 at least one representative from each of the following:

31 (i) The Washington state gambling commission;

32 (ii) The Washington state lottery commission;

33 (iii) The Washington state horse racing commission;

34 (iv) The Washington state health care authority;

35 (v) The tribal gaming industry;

36 (vi) An established business primarily engaged in the selling of
37 food or drink for consumption on the premises and that offers
38 punchboards, pull-tabs, and social card games as a commercial
39 stimulant;

40 (vii) The gambling counselor certification committee;

1 (viii) A nonprofit problem gambling organization; and
2 (ix) The recovery community including at least one member with
3 lived experience of problem gambling.

4 **Sec. 3.** RCW 67.70.340 and 2012 1st sp.s. c 10 s 6 are each
5 amended to read as follows:

6 (1) The legislature recognizes that creating a shared game
7 lottery could result in less revenue being raised by the existing
8 state lottery ticket sales. The legislature further recognizes that
9 the fund most impacted by this potential event is the Washington
10 opportunity pathways account. Therefore, it is the intent of the
11 legislature to use some of the proceeds from the shared game lottery
12 to make up the difference that the potential state lottery revenue
13 loss would have on the Washington opportunity pathways account. The
14 legislature further intends to use some of the proceeds from the
15 shared game lottery to fund programs and services related to problem
16 (~~and pathological~~) gambling and gambling disorder.

17 (2) The Washington opportunity pathways account is expected to
18 receive (~~one hundred two million dollars~~) \$102,000,000 annually
19 from state lottery games other than the shared game lottery. For
20 fiscal year 2011 and thereafter, if the amount of lottery revenues
21 earmarked for the Washington opportunity pathways account is less
22 than (~~one hundred two million dollars~~) \$102,000,000, the
23 commission, after making the transfer required under subsection (3)
24 of this section, must transfer sufficient moneys from revenues
25 derived from the shared game lottery into the Washington opportunity
26 pathways account to bring the total revenue up to (~~one hundred two~~
27 ~~million dollars~~) \$102,000,000.

28 (3) (a) The commission shall transfer, from revenue derived from
29 the shared game lottery, to the problem gambling account created in
30 RCW (~~43.20A.892~~) 41.05.751, an amount equal to the percentage
31 specified in (b) of this subsection of net receipts. For purposes of
32 this subsection, "net receipts" means the difference between (i)
33 revenue received from the sale of lottery tickets or shares and
34 revenue received from the sale of shared game lottery tickets or
35 shares; and (ii) the sum of payments made to winners.

36 (b) In fiscal year (~~2006~~) 2024, the percentage to be
37 transferred to the problem gambling account is (~~one-tenth of one~~)
38 0.20 percent. In fiscal year (~~2007~~) 2025 and subsequent fiscal

1 years, the percentage to be transferred to the problem gambling
2 account is (~~(thirteen one-hundredths of one)~~) 0.26 percent.

3 (4) The commission shall transfer the remaining net revenues, if
4 any, derived from the shared game lottery "Powerball" authorized in
5 RCW 67.70.044(1) after the transfers pursuant to this section into
6 the state general fund for support for the program of basic education
7 under RCW 28A.150.200.

8 (5) The remaining net revenues, if any, in the shared game
9 lottery account after the transfers pursuant to this section shall be
10 deposited into the Washington opportunity pathways account.

11 **Sec. 4.** RCW 82.04.285 and 2014 c 97 s 303 are each amended to
12 read as follows:

13 (1) Upon every person engaging within this state in the business
14 of operating contests of chance; as to such persons, the amount of
15 tax with respect to the business of operating contests of chance is
16 equal to the gross income of the business derived from contests of
17 chance multiplied by the rate of 1.5 percent.

18 (2) An additional tax is imposed on those persons subject to tax
19 in subsection (1) of this section. The amount of the additional tax
20 with respect to the business of operating contests of chance is equal
21 to the gross income of the business derived from contests of chance
22 multiplied by the rate of (~~(0.1)~~) 0.2 percent through June 30,
23 (~~(2006)~~) 2024, and (~~(0.13)~~) 0.26 percent thereafter. The money
24 collected under this subsection (2) shall be deposited in the problem
25 gambling account created in RCW (~~(43.20A.892)~~) 41.05.751. This
26 subsection does not apply to businesses operating contests of chance
27 when the gross income from the operation of contests of chance is
28 less than (~~(fifty thousand dollars)~~) \$50,000 per year.

29 (3)(a) For the purpose of this section, "contests of chance"
30 means any contests, games, gaming schemes, or gaming devices, other
31 than the state lottery as defined in RCW 67.70.010, in which the
32 outcome depends in a material degree upon an element of chance,
33 notwithstanding that skill of the contestants may also be a factor in
34 the outcome. The term includes social card games, bingo, raffle, and
35 punchboard games, and pull-tabs as defined in chapter 9.46 RCW.

36 (b) The term does not include: (i) Race meet for the conduct of
37 which a license must be secured from the Washington horse racing
38 commission, (ii) "amusement game" as defined in RCW 9.46.0201, or

1 (iii) any activity that is not subject to regulation by the gambling
2 commission.

3 (4) "Gross income of the business" does not include the monetary
4 value or actual cost of any prizes that are awarded, amounts paid to
5 players for winning wagers, accrual of prizes for progressive jackpot
6 contests, or repayment of amounts used to seed guaranteed progressive
7 jackpot prizes.

8 **Sec. 5.** RCW 82.04.286 and 2005 c 369 s 6 are each amended to
9 read as follows:

10 (1) Upon every person engaging within this state in the business
11 of conducting race meets for the conduct of which a license must be
12 secured from the Washington horse racing commission; as to such
13 persons, the amount of tax with respect to the business of parimutuel
14 wagering is equal to the gross income of the business derived from
15 parimutuel wagering multiplied by the rate of ~~((0.1))~~ 0.2 percent
16 through June 30, ~~((2006))~~ 2024, and ~~((0.13))~~ 0.26 percent thereafter.
17 The money collected under this section shall be deposited in the
18 problem gambling account created in RCW ~~((43.20A.892))~~ 41.05.751.

19 (2) For purposes of this section, "gross income of the business"
20 does not include amounts paid to players for winning wagers, or taxes
21 imposed or other distributions required under chapter 67.16 RCW.

22 (3) The tax imposed under this section is in addition to any tax
23 imposed under chapter 67.16 RCW.

24 **Sec. 6.** RCW 9.46.071 and 2019 c 213 s 1 are each amended to read
25 as follows:

26 (1) ~~((a))~~ The legislature recognizes that some individuals in
27 this state ~~((have a gambling problem or))~~ are negatively impacted by
28 problem gambling and gambling disorder. Because the state promotes
29 and regulates gambling through the activities of the state lottery
30 commission, the Washington horse racing commission, and the
31 Washington state gambling commission, the state has the
32 responsibility to continue to provide resources for the support of
33 ~~((services for))~~ problem gambling ~~((and gambling disorders.~~

34 ~~((b) The))~~ services. Therefore, the Washington state gambling
35 commission, the Washington horse racing commission, and the state
36 lottery commission shall ~~((jointly develop))~~ maintain placement of
37 problem gambling and gambling disorder informational signs which
38 include a toll-free ~~((hotline))~~ helpline number for ~~((individuals~~

1 ~~with a gambling problem or~~) problem gambling and gambling disorder.
2 The signs shall be placed in the establishments of gambling
3 licensees, horse racing licensees, and lottery retailers.

4 ~~((e))~~) The Washington state gambling commission, the Washington
5 horse racing commission, and the state lottery commission may also
6 contract with other qualified entities to provide public awareness,
7 training, and other services to ensure the intent of this section is
8 fulfilled.

9 ~~((d))~~) (2) Individuals and families impacted by ~~((a-gambling))~~
10 problem gambling or gambling disorder will benefit from the
11 availability of a uniform self-exclusion program where people may
12 voluntarily exclude themselves from gambling at multiple gambling
13 establishments by submitting one self-exclusion form to the state
14 from one location for all gambling activities. Therefore, the
15 Washington state gambling commission must establish a statewide self-
16 exclusion program for all licensees. The commission has discretion in
17 establishing the scope, process, and requirements of the self-
18 exclusion program, including denying, suspending, or revoking an
19 application, license, or permit. However, the initial program must
20 comply with the following minimum requirements:

21 ~~((i))~~) (a) The program must allow persons to voluntarily exclude
22 themselves from gambling at authorized gambling establishments that
23 offer house-banked social card games;

24 ~~((ii))~~) (b) The program must have a process for federally
25 recognized Indian tribes or tribal enterprises that own gambling
26 operations or facilities with class III gaming compacts to
27 voluntarily participate in the self-exclusion program;

28 ~~((iii))~~) (c)(i) Any individual registered with the self-
29 exclusion program created under this section is prohibited from
30 participating in gambling activities associated with this program and
31 forfeits all moneys and things of value obtained by the individual or
32 owed to the individual by an authorized gambling establishment as a
33 result of prohibited wagers or gambling activities. The commission
34 may adopt rules for the forfeiture of any moneys or things of value,
35 including wagers, obtained by an authorized gambling establishment
36 while an individual is registered with the self-exclusion program
37 created under this section.

38 (ii) Moneys and things of value forfeited under the self-
39 exclusion program must be distributed to the problem gambling account
40 created in RCW 41.05.751 and/or a charitable or nonprofit

1 organization that provides problem gambling services or increases
2 awareness about problem gambling pursuant to rules adopted by the
3 commission; and

4 ~~((iv))~~ (d) The commission must adopt rules establishing the
5 self-exclusion program by June 30, 2021.

6 ~~((e))~~ (3) An individual who participates in the self-exclusion
7 program does not have a cause of action against the state of
8 Washington, the commission, or any gambling establishment, its
9 employees, or officers for any acts or omissions in processing or
10 enforcing the requirements of the self-exclusion program, including a
11 failure to prevent an individual from gambling at an authorized
12 gambling establishment.

13 ~~((f))~~ (4) Any personal information collected, stored, or
14 accessed under the self-exclusion program may only be used for the
15 administration of the self-exclusion program and may not be
16 disseminated for any purpose other than the administration of the
17 self-exclusion program.

18 ~~((2))~~ (5)(a) During any period in which RCW 82.04.285(2) is in
19 effect, the commission may not increase fees payable by licensees
20 under its jurisdiction for the purpose of funding services for
21 problem gambling and gambling disorder. Any fee imposed or increased
22 by the commission, for the purpose of funding these services, before
23 July 1, 2005, has no force and effect after July 1, 2005.

24 (b) During any period in which RCW 82.04.285(2) is not in effect:

25 (i) The commission, the Washington state horse racing commission,
26 and the state lottery commission may contract for services, in
27 addition to those authorized in subsection (1) of this section, to
28 assist in providing for problem gambling and gambling disorder
29 treatment; and

30 (ii) The commission may increase fees payable by licensees under
31 its jurisdiction for the purpose of funding the problem gambling and
32 gambling disorder services authorized in this section.

33 NEW SECTION. **Sec. 7.** If any provision of this act or its
34 application to any person or circumstance is held invalid, the
35 remainder of the act or the application of the provision to other
36 persons or circumstances is not affected.

37 NEW SECTION. **Sec. 8.** This act is necessary for the immediate
38 preservation of the public peace, health, or safety, or support of

1 the state government and its existing public institutions, and takes
2 effect July 1, 2023."

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By Committee on Business, Financial Services, Gaming & Trade

NOT CONSIDERED 05/17/2023

3 On page 1, line 1, of the title, after "gambling;" strike the
4 remainder of the title and insert "amending RCW 41.05.750, 67.70.340,
5 82.04.285, 82.04.286, and 9.46.071; creating a new section; providing
6 an effective date; and declaring an emergency."

EFFECT: Strikes bill and replaces it with the provisions of
Engrossed Second Substitute Senate Bill No. 5634.

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