

CERTIFICATION OF ENROLLMENT
ENGROSSED SECOND SUBSTITUTE SENATE BILL 5634

68th Legislature
2023 Regular Session

Passed by the Senate March 8, 2023
Yeas 31 Nays 18

President of the Senate

Passed by the House April 10, 2023
Yeas 71 Nays 27

**Speaker of the House of
Representatives**

Approved

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE SENATE BILL 5634** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

ENGROSSED SECOND SUBSTITUTE SENATE BILL 5634

Passed Legislature - 2023 Regular Session

State of Washington 68th Legislature 2023 Regular Session

By Senate Ways & Means (originally sponsored by Senators Conway, Keiser, Hasegawa, Nguyen, Nobles, and Stanford)

READ FIRST TIME 02/24/23.

1 AN ACT Relating to problem gambling; amending RCW 41.05.750,
2 67.70.340, 82.04.285, 82.04.286, and 9.46.071; creating a new
3 section; providing an effective date; and declaring an emergency.

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

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

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

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

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

20 (d) A 2021 prevalence study found that among all adults, 1.5
21 percent are at a moderate-to-severe risk for developing a gambling

1 disorder, and among adults who gamble, 3.5 percent are at a moderate-
2 to-severe risk of a gambling disorder; and

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

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

9 (ii) Problem gambling treatment coverage is not available across
10 the state; and

11 (iii) No state-supported residential treatment services are
12 available in Washington state.

13 (2) The legislature intends to provide long-term, dedicated
14 funding for prevention, public awareness efforts, and education
15 regarding problem gambling disorder, clinical training, workforce
16 development, and accessible treatment services for individuals
17 impacted by problem gambling or gambling disorders as well as after-
18 care support.

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

21 (1) A program for (a) ~~((the prevention and))~~ year-round
22 integrated problem gambling prevention efforts that include community
23 engagement and the treatment of problem ~~((and pathological))~~ gambling
24 and gambling disorder; and (b) the support, certification, and
25 training of professionals in the identification and treatment of
26 problem ~~((and pathological))~~ gambling and gambling disorder is
27 established within the authority ~~((, to be administered by a qualified~~
28 ~~person who has training and experience in problem gambling or the~~
29 ~~organization and administration of treatment services for persons~~
30 ~~suffering from problem gambling))~~. The department of health may
31 license or certify ~~((and the))~~ behavioral health agencies for problem
32 gambling treatment. The authority may contract ~~((with treatment~~
33 ~~facilities))~~ for any services provided under the program. The
34 authority shall ~~((track))~~ conduct a program evaluation, including
35 tracking program participation and ~~((client))~~ evaluating outcomes.

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

38 (a) Need treatment for problem ~~((or pathological))~~ gambling or
39 gambling disorder, or ~~((because of the problem or pathological~~

1 ~~gambling of a family member, but be unable to afford treatment))~~ be
2 impacted by a loved one experiencing problem gambling or gambling
3 disorder; ((and))

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

6 (c) Be unable to afford treatment.

7 (3) Treatment under this section is available only to the extent
8 of the funds appropriated or otherwise made available to the
9 authority for this purpose. The authority may solicit and accept for
10 use any gift of money or property made by will or otherwise, and any
11 grant of money, services, or property from the federal government,
12 any tribal government, the state, or any political subdivision
13 thereof or any private source, and do all things necessary to
14 cooperate with the federal government or any of its agencies or any
15 tribal government in making an application for any grant.

16 (4) (a) The authority shall establish and facilitate an ongoing
17 advisory committee ~~((to assist it in designing, managing, and~~
18 ~~evaluating the effectiveness of the program established in this~~
19 ~~section. The advisory committee shall give due consideration in the~~
20 ~~design and management of the program that persons who hold licenses~~
21 ~~or contracts issued by the gambling commission, horse racing~~
22 ~~commission, and lottery commission are not excluded from, or~~
23 ~~discouraged from, applying to participate in the program. The~~
24 ~~committee shall include, at a minimum, persons knowledgeable in the~~
25 ~~field of problem and pathological gambling and persons representing~~
26 ~~tribal gambling, privately owned nontribal gambling, and the state~~
27 ~~lottery.~~

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

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

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

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

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

3 (i) The Washington state gambling commission;

4 (ii) The Washington state lottery commission;

5 (iii) The Washington state horse racing commission;

6 (iv) The Washington state health care authority;

7 (v) The tribal gaming industry;

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

12 (vii) The gambling counselor certification committee;

13 (viii) A nonprofit problem gambling organization; and

14 (ix) The recovery community including at least one member with
15 lived experience of problem gambling.

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

18 (1) The legislature recognizes that creating a shared game
19 lottery could result in less revenue being raised by the existing
20 state lottery ticket sales. The legislature further recognizes that
21 the fund most impacted by this potential event is the Washington
22 opportunity pathways account. Therefore, it is the intent of the
23 legislature to use some of the proceeds from the shared game lottery
24 to make up the difference that the potential state lottery revenue
25 loss would have on the Washington opportunity pathways account. The
26 legislature further intends to use some of the proceeds from the
27 shared game lottery to fund programs and services related to problem
28 ~~((and pathological))~~ gambling and gambling disorder.

29 (2) The Washington opportunity pathways account is expected to
30 receive ~~((one hundred two million dollars))~~ \$102,000,000 annually
31 from state lottery games other than the shared game lottery. For
32 fiscal year 2011 and thereafter, if the amount of lottery revenues
33 earmarked for the Washington opportunity pathways account is less
34 than ~~((one hundred two million dollars))~~ \$102,000,000, the
35 commission, after making the transfer required under subsection (3)
36 of this section, must transfer sufficient moneys from revenues
37 derived from the shared game lottery into the Washington opportunity
38 pathways account to bring the total revenue up to ~~((one hundred two~~
39 ~~million dollars))~~ \$102,000,000.

1 (3) (a) The commission shall transfer, from revenue derived from
2 the shared game lottery, to the problem gambling account created in
3 RCW (~~(43.20A.892)~~) 41.05.751, an amount equal to the percentage
4 specified in (b) of this subsection of net receipts. For purposes of
5 this subsection, "net receipts" means the difference between (i)
6 revenue received from the sale of lottery tickets or shares and
7 revenue received from the sale of shared game lottery tickets or
8 shares; and (ii) the sum of payments made to winners.

9 (b) In fiscal year (~~(2006)~~) 2024, the percentage to be
10 transferred to the problem gambling account is (~~(one-tenth of one)~~)
11 0.20 percent. In fiscal year (~~(2007)~~) 2025 and subsequent fiscal
12 years, the percentage to be transferred to the problem gambling
13 account is (~~(thirteen one-hundredths of one)~~) 0.26 percent.

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

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

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

24 (1) Upon every person engaging within this state in the business
25 of operating contests of chance; as to such persons, the amount of
26 tax with respect to the business of operating contests of chance is
27 equal to the gross income of the business derived from contests of
28 chance multiplied by the rate of 1.5 percent.

29 (2) An additional tax is imposed on those persons subject to tax
30 in subsection (1) of this section. The amount of the additional tax
31 with respect to the business of operating contests of chance is equal
32 to the gross income of the business derived from contests of chance
33 multiplied by the rate of (~~(0.1)~~) 0.2 percent through June 30,
34 (~~(2006)~~) 2024, and (~~(0.13)~~) 0.26 percent thereafter. The money
35 collected under this subsection (2) shall be deposited in the problem
36 gambling account created in RCW (~~(43.20A.892)~~) 41.05.751. This
37 subsection does not apply to businesses operating contests of chance
38 when the gross income from the operation of contests of chance is
39 less than (~~(fifty thousand dollars)~~) \$50,000 per year.

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

8 (b) The term does not include: (i) Race meet for the conduct of
9 which a license must be secured from the Washington horse racing
10 commission, (ii) "amusement game" as defined in RCW 9.46.0201, or
11 (iii) any activity that is not subject to regulation by the gambling
12 commission.

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

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

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

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

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

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

36 (1) (~~(a)~~) The legislature recognizes that some individuals in
37 this state (~~(have a gambling problem or)~~) are negatively impacted by
38 problem gambling and gambling disorder. Because the state promotes

1 and regulates gambling through the activities of the state lottery
2 commission, the Washington horse racing commission, and the
3 Washington state gambling commission, the state has the
4 responsibility to continue to provide resources for the support of
5 (~~services for~~) problem gambling (~~and gambling disorders.~~

6 ~~(b) The~~) services. Therefore, the Washington state gambling
7 commission, the Washington horse racing commission, and the state
8 lottery commission shall (~~jointly develop~~) maintain placement of
9 problem gambling and gambling disorder informational signs which
10 include a toll-free (~~hotline~~) helpline number for (~~individuals~~
11 ~~with a gambling problem or~~) problem gambling and gambling disorder.
12 The signs shall be placed in the establishments of gambling
13 licensees, horse racing licensees, and lottery retailers.

14 (~~e~~) The Washington state gambling commission, the Washington
15 horse racing commission, and the state lottery commission may also
16 contract with other qualified entities to provide public awareness,
17 training, and other services to ensure the intent of this section is
18 fulfilled.

19 (~~d~~) (2) Individuals and families impacted by (~~a gambling~~)
20 problem gambling or gambling disorder will benefit from the
21 availability of a uniform self-exclusion program where people may
22 voluntarily exclude themselves from gambling at multiple gambling
23 establishments by submitting one self-exclusion form to the state
24 from one location for all gambling activities. Therefore, the
25 Washington state gambling commission must establish a statewide self-
26 exclusion program for all licensees. The commission has discretion in
27 establishing the scope, process, and requirements of the self-
28 exclusion program, including denying, suspending, or revoking an
29 application, license, or permit. However, the initial program must
30 comply with the following minimum requirements:

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

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

38 (~~iii~~) (c)(i) Any individual registered with the self-
39 exclusion program created under this section is prohibited from
40 participating in gambling activities associated with this program and

1 forfeits all moneys and things of value obtained by the individual or
2 owed to the individual by an authorized gambling establishment as a
3 result of prohibited wagers or gambling activities. The commission
4 may adopt rules for the forfeiture of any moneys or things of value,
5 including wagers, obtained by an authorized gambling establishment
6 while an individual is registered with the self-exclusion program
7 created under this section.

8 (ii) Moneys and things of value forfeited under the self-
9 exclusion program must be distributed to the problem gambling account
10 created in RCW 41.05.751 and/or a charitable or nonprofit
11 organization that provides problem gambling services or increases
12 awareness about problem gambling pursuant to rules adopted by the
13 commission; and

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

16 ~~((e))~~ (3) An individual who participates in the self-exclusion
17 program does not have a cause of action against the state of
18 Washington, the commission, or any gambling establishment, its
19 employees, or officers for any acts or omissions in processing or
20 enforcing the requirements of the self-exclusion program, including a
21 failure to prevent an individual from gambling at an authorized
22 gambling establishment.

23 ~~((f))~~ (4) Any personal information collected, stored, or
24 accessed under the self-exclusion program may only be used for the
25 administration of the self-exclusion program and may not be
26 disseminated for any purpose other than the administration of the
27 self-exclusion program.

28 ~~((2))~~ (5)(a) During any period in which RCW 82.04.285(2) is in
29 effect, the commission may not increase fees payable by licensees
30 under its jurisdiction for the purpose of funding services for
31 problem gambling and gambling disorder. Any fee imposed or increased
32 by the commission, for the purpose of funding these services, before
33 July 1, 2005, has no force and effect after July 1, 2005.

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

35 (i) The commission, the Washington state horse racing commission,
36 and the state lottery commission may contract for services, in
37 addition to those authorized in subsection (1) of this section, to
38 assist in providing for problem gambling and gambling disorder
39 treatment; and

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

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

8 NEW SECTION. **Sec. 8.** This act is necessary for the immediate
9 preservation of the public peace, health, or safety, or support of
10 the state government and its existing public institutions, and takes
11 effect July 1, 2023.

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