

WSR 22-03-099

PROPOSED RULES

GAMBLING COMMISSION

[Filed January 19, 2022, 10:44 a.m.]

Supplemental Notice to WSR 21-13-165, 21-21-094, 22-01-213.

Preproposal statement of inquiry was filed as WSR 20-15-154.

Title of Rule and Other Identifying Information: WAC 230-03-085 Denying, suspending, or revoking an application, license or permit.

Hearing Location(s): On March 10, 2022, at 9:00 a.m., at Washington State Gambling Commission, 4565 7th Avenue S.E., Lacey, WA 98503. The meeting time and location will be posted approximately one week prior to the meeting on our website at www.wsgc.wa.gov. Select "The Commission" and then select "Public Meetings" to confirm the hearing date, location, start time, and agenda items.

Date of Intended Adoption: March 10, 2022.

Submit Written Comments to: Ashlie Laydon, P.O. Box 42400, Olympia, WA 98504-2400, email rules.coordinator@wsgc.wa.gov, www.wsgc.wa.gov, by March 2, 2022.

Assistance for Persons with Disabilities: Contact Julie Anderson, phone 360-486-3453, TTY 360-486-3637, email julie.anderson@wsgc.wa.gov, www.wsgc.wa.gov, by March 2, 2022.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: On March 25, 2020, Governor Jay Inslee signed HB 2638 authorizing sports wagering for Class III tribal facilities under terms negotiated in tribal-state compacts, and adding or amending several sections of the Gambling Act giving the gambling commission the authority to adopt and/or amend rules needed for the state's regulation of sports wagering. The proposed rules create a regulatory framework for sports wagering consistent with the Gambling Act and tribal-state compact amendments.

Draft language was initially filed under WSR 21-13-165, 21-21-094, and again under WSR 22-01-213. The proposed change is to withdraw the previous language filed under WSR 22-01-213 regarding adopting a new chapter 230-19 WAC, and instead proposes to amend WAC 230-03-085 Denying, suspending, or revoking an application, license or permit, to allow the gambling commission to [take] action if an applicant or a licensee fails to comply with all applicable tribal laws, or the provisions of the applicable tribal-state compact and its appendices related to sports wagering.

Reasons Supporting Proposal: The proposed change has been made based on feedback from tribal partners and vendor stakeholders.

Statutory Authority for Adoption: RCW 9.46.070.

Statute Being Implemented: RCW 9.46.070.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Washington state gambling commission, governmental.

Name of Agency Personnel Responsible for Drafting: Adam Teal, LLM, 4565 7th Avenue S.E., Lacey, WA 98503, 360-486-3475; Implementation: Tina Griffin, Interim Director, 4565 7th Avenue S.E., Lacey, WA 98503, 360-486-3546; and Enforcement: Gary Drumheller, Assistant Director, 4565 7th Avenue S.E., Lacey, WA 98503, 509-325-7904.

A school district fiscal impact statement is not required under RCW 28A.305.135.

A cost-benefit analysis is not required under RCW 34.05.328. A cost-benefit analysis is not required per RCW 34.05.328 (5) (a) (i).

This rule proposal, or portions of the proposal, is exempt from requirements of the Regulatory Fairness Act because the proposal:

Is exempt under RCW 19.85.025(3) as the rules adopt, amend, or repeal a procedure, practice, or requirement relating to agency hearings; or a filing or related process requirement for applying to an agency for a license or permit.

January 14, 2022
Ashlie Laydon
Rules Coordinator

OTS-3568.1

AMENDATORY SECTION (Amending WSR 20-08-095, filed 3/30/20, effective 4/30/20)

WAC 230-03-085 Denying, suspending, or revoking an application, license or permit. We may deny, suspend, or revoke any application, license or permit, when the applicant, licensee, or anyone holding a substantial interest in the applicant's or licensee's business or organization:

- (1) Commits any act that constitutes grounds for denying, suspending, or revoking licenses or permits under RCW 9.46.075; or
- (2) Has been convicted of, or forfeited bond on a charge of, or pleaded guilty to a misdemeanor or felony crime involving physical harm to individuals. "Physical harm to individuals" includes any form of criminal assault, any crime involving a threat of physical harm against another person, or any crime involving an intention to inflict physical harm on another person; or
- (3) Has demonstrated willful disregard for complying with ordinances, statutes, administrative rules, or court orders, whether at the local, state, or federal level; or
- (4) Has failed to pay gambling taxes to local taxing authorities and the local taxing authority has petitioned us to take action; or
- (5) Has failed to pay a quarterly license fee or submit a quarterly license report or has failed to pay a late fee assessed as a result of failure to pay a quarterly license fee or submit a quarterly license report; or
- (6) Is serving a period of probation or community supervision imposed as a sentence for any juvenile, misdemeanor, or felony criminal offense, whether or not the offense is covered under RCW 9.46.075(4); or
- (7) Is the subject of an outstanding gross misdemeanor or felony arrest warrant; or
- (8) Fails to provide us with any information required under commission rules within the time required, or, if the rule establishes no time limit, within (~~thirty~~) 30 days after receiving a written request from us; or
- (9) Poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities, as demonstrated by:
 - (a) Prior activities; or

- (b) Criminal record; or
- (c) Reputation; or
- (d) Habits; or
- (e) Associations; or

(10) Knowingly provides or provided goods or services to an entity that illegally operates gambling activities; or

(11) Has failed to comply with all applicable tribal laws, or the provisions of the applicable tribal-state compact and its appendices related to sports wagering, that are in effect at the time of the violation, and as posted on the National Indian Gaming Commission's website at www.nigc.gov (for tribal laws) or our agency website at www.wsgc.wa.gov (for compacts and appendices).

[Statutory Authority: RCW 9.46.070. WSR 20-08-095, § 230-03-085, filed 3/30/20, effective 4/30/20; WSR 18-05-029, § 230-03-085, filed 2/9/18, effective 7/1/18; WSR 07-21-116 (Order 617), § 230-03-085, filed 10/22/07, effective 1/1/08; WSR 06-07-157 (Order 457), § 230-03-085, filed 3/22/06, effective 1/1/08.]