

WSR 24-13-056
PROPOSED RULES
GAMBLING COMMISSION
[Filed June 13, 2024, 10:28 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 24-07-075.

Title of Rule and Other Identifying Information: WAC 230-15-050 Minimum cash on hand requirements; new WAC 230-15-190 Paying out odds-based and fixed based prizes and 230-15-195 Keeping funds to pay fixed-based prizes.

Hearing Location(s): On August 8, 2024, at 9:30 a.m., at the Washington State Liquor and Cannabis Board, 1025 Union Avenue S.E., Olympia, WA 98501. The meeting time and location are tentative. Visit our website at www.wsgc.wa.gov approximately seven days prior to the meeting and select "About Us," and then "Upcoming commission meetings" to confirm the hearing date, location, start time, and agenda items.

Date of Intended Adoption: August 8, 2024.

Submit Written Comments to: Adam Amorine, P.O. Box 42400, Olympia, WA 98504-2400, email rules.coordinator@wsgc.wa.gov, www.wsgc.wa.gov, beginning June 13, 2024, 12:00 p.m., by August 7, 2024, 5:00 p.m.

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 August 7, 2024, 4:00 p.m.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The proposed rules require card game licensees to exchange chips for cash unless the player requests payment by check; changes the formula for determining the minimum amount of cash required to be in the cage, safe, and/or vault for house-banked card rooms; allows for specific prizes to be paid by check; and requires house-banked card room licensees to have sufficient funds to pay fixed-based prizes offered.

Reasons Supporting Proposal: Currently, our rules require house-banked card game licensees to have sufficient cash on hand to redeem all chips issued for play and pay out all prizes. Staff has found that this existing formula may not be adequate for all house-banked card game licensees. Additionally, the new rules would allow for checks to be issued to certain winning players, which aims to mitigate potential safety concerns associated with a patron physically possessing a large amount of cash after winning a large prize.

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 Amorine, Rules Coordinator, 4565 7th Avenue S.E., Lacey, WA 98503, 360-486-3473; Implementation: Tina Griffin, Director, 4565 7th Avenue S.E., Lacey, WA 98503, 360-486-3546; and Enforcement: Gary Drumheller, Deputy 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 as this agency is not listed un-

der RCW 34.05.328 (5) (a) (i). Further, the gambling commission does not voluntarily make that section applicable to the adoption of this rule pursuant to the subsection (5) (a) (ii) and to date the joint administrative rules review committee has not made the section applicable to the adoption of this rule.

Scope of exemption for rule proposal:

Is not exempt.

The proposed rule does not impose more-than-minor costs on businesses. Following is a summary of the agency's analysis showing how costs were calculated. This rule changes the formula for determining how much cash a card game licensee must have on hand and allows for licensees to write checks to winning patrons for large prizes. Associated costs to small business would revolve around the issuance of a check to certain winning patrons, which is not expected to exceed three-tenths of one percent of the business's annual revenue or income.

A copy of the detailed cost calculations may be obtained by contacting Adam Amorine, 4565 7th Avenue S.E., Lacey, WA 98503, phone 360-486-3473, email rules.coordinator@wsgc.wa.gov.

June 13, 2024

Adam Amorine

Legal Manager and Rules Coordinator

OTS-5382.3

AMENDATORY SECTION (Amending WSR 22-01-182, filed 12/20/21, effective 1/20/22)

WAC 230-15-050 Minimum cash on hand requirements. (1) Card game licensees must have sufficient cash on hand to redeem all chips issued for play ~~((and pay out all prizes))~~. Licensees must exchange chips brought to the cashier's cage by players for cash; however, the licensee must write a check for the balance of chips redeemed at the request of the player. Licensees must issue the check within 24 hours.

(2) Within three hours of opening for the business day, at a time included in the internal controls, house-banked card game licensees must have at least the following minimum amount of cash on premises in their cage, safe, and/or vault combined:

(a) ~~((One))~~ Two thousand dollars for each house-banked table on the gambling floor; plus

(b) ~~((The amount of the largest single prize available excluding progressive jackpot, player-supported jackpot, and house jackpot prizes-))~~ One percent times card room gross gambling receipts from the previous calendar year according to quarterly license reports submitted to the commission; however, a new house-banked card room who has not yet submitted a full calendar year of quarterly license reports must have at least \$30,000 for the purpose of this subsection.

For example: If a house-banked card room has 15 house-banked tables and ~~((a largest single prize of \$23,000, before opening, the cage))~~ their gross receipts were \$4,000,000 in their previous calendar year, they must have at least ~~(((\$38,000))~~ \$70,000 cash on hand: 15 ta-

bles $\times ((\$1,000)) \underline{\$2,000} = ((\$15,000)) \underline{\$30,000} + ((\text{largest single prize of } \$23,000 = \$38,000)) \underline{1\% \times \$4,000,000 = \$40,000}$.

(3) ~~((Except for the restrictions on player-supported jackpot pay outs in WAC 230-15-405 and progressive jackpot pay outs in WAC 230-15-690,))~~ Licensees may pay specific prizes by check if sufficient funds are available on deposit and they meet the restrictions in the rules below:

(a) WAC 230-15-405 - Player-supported jackpot prizes.

(b) WAC 230-15-690 - Progressive jackpot prizes.

(c) WAC 230-15-673 - House jackpot prizes.

(d) WAC 230-15-190 - Odds-based and fixed-based prizes.

(4) Failure to keep funds to cash in chips, pay prizes, or redeem gambling related checks is prima facie evidence of fraud. Meeting the minimum cage cash amount does not relieve the licensee from the requirement to have sufficient funds available to redeem all chips and pay out all prizes.

NEW SECTION

WAC 230-15-186 Paying out odds-based and fixed-based prizes.

(1) House-banked card room licensees must immediately pay out all individual odds-based and fixed-based prizes of \$5,000 or less.

(2) For individual odds-based and fixed-based prizes over \$5,000, licensees must immediately pay out a minimum of \$5,000 and pay the remaining balance within 24 hours by check. The player may request that the licensee pay up to the entire prize balance by check. Licensees must then issue a check for the entire prize balance within 24 hours.

NEW SECTION

WAC 230-15-187 Keeping funds to pay fixed-based prizes. House-banked card room licensees must maintain at least the amount of the single largest fixed-based prize offered in a bank, mutual savings bank, or credit union location in Washington. Alternatively, licensees may maintain the amount of the single largest fixed-based prize in cash on the licensed premises.