

HOUSE BILL REPORT

HB 1652

*As Reported By House Committee on:
Commerce & Labor*

Title: An act relating to video reproduction games.

Brief Description: Authorizing video card games for nonprofit organizations.

Sponsor(s): Representatives Braddock, Holland, Ebersole, Wilson, Dorn, Lisk, Appelwick, Brumsickle, R. King, Kremen, Prince, Bowman and Day.

Brief History:

Reported by House Committee on:
Commerce & Labor, March 6, 1991, DPS.

**HOUSE COMMITTEE ON
COMMERCE & LABOR**

Majority Report: *That Substitute House Bill No. 1652 be substituted therefor, and the substitute bill do pass.*
Signed by 7 members: Representatives Lisk, Assistant Ranking Minority Member; Franklin; Jones; R. King; O'Brien; Prentice; and Wilson.

Minority Report: *Do not pass.* Signed by 4 members: Representatives Heavey, Chair; Cole, Vice Chair; Fuhrman, Ranking Minority Member; and Vance.

Staff: Jim Kelley (786-7166).

Background: Bona fide charitable or nonprofit organizations may conduct bingo games, raffles, amusement games, fund raising events, and social card games and may utilize punch boards and pull-tabs. These games are governed by the gambling code and rules adopted pursuant to the code.

A business primarily engaged in the selling of food or drink for consumption on the premises may conduct social card games and punch boards and pull-tabs as commercial stimulants, consistent with the gambling code and rules adopted pursuant to the code.

Video card games are considered to be "gambling devices." Gambling devices are common nuisances and subject to seizure. Further, it is a felony for a person to knowingly

own, manufacture, possess, buy, sell, rent, lease, finance, hold a security interest in, store, repair, or transport any gambling device, unless the person is authorized by the gambling code or commission rule to conduct such games.

Summary of Substitute Bill: The use of video card games by bona fide charitable or nonprofit organizations is authorized. Businesses primarily engaged in the selling of food or drink for consumption on the premises may also use video card games.

The term "video card games" is defined as video reproductions of authorized card games that allow only for individual play that meet all of the requirements and standards as set forth by the commission and which have been specifically licensed and approved for use within this State by the commission.

The tax on video card games is 10 percent of the net proceeds. One-half of the receipts shall go to the common school construction fund and one-half to local governments.

Video card games are exempted from the restrictions on gambling devices.

Substitute Bill Compared to Original Bill: The substitute bill clarifies that the Gambling Commission has the power to authorize and license video card games conducted by bona fide charitable or nonprofit organizations.

Fiscal Note: Available.

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

Testimony For: This bill will raise a large amount of money for school construction and local governments. Our Gambling Commission does a very good job of regulating gambling in this State. If they can control punchboards and pull-tabs, they certainly can control video card games. This would offer the public a better gambling deal than is currently available. Since the awareness of alcohol related problems has been raised, taverns have had to find new ways to make money and to entertain patrons. Video card games would be an excellent source of entertainment.

Testimony Against: When this State approved gambling as a "commercial stimulant," we did not foresee the huge industry it would become. As gambling grows, the danger of infiltration by organized crime increases. This could open up the possibility of slot machines on Indian reservations.

Witnesses: Vito Cheichi, Gary McClanahan and Ron Sellar, Washington State Licensed Beverage Association (in favor); Barbara Materne, Swinging Doors Tavern (in favor); Mike Redman, Washington Association of Prosecuting Attorneys (opposed); and Frank Miller, Gambling Commission (no position, was available to answer questions).