

SENATE BILL REPORT

HB 1449

As Reported By Senate Committee On:
Labor, Commerce, Research & Development, March 27, 2007

Title: An act relating to independent auditor reports and financial statements of licensees regulated by the gambling commission.

Brief Description: Regarding nondisclosure of certain information of gambling commission licensees.

Sponsors: Representatives Condotta, Armstrong, Curtis, Orcutt and Dunn.

Brief History: Passed House: 3/07/07, 93-1.

Committee Activity: Labor, Commerce, Research & Development: 3/27/07 [DP].

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Majority Report: Do pass.

Signed by Senators Kohl-Welles, Chair; Keiser, Vice Chair; Clements, Ranking Minority Member; Franklin, Hewitt, Holmquist, Murray and Prentice.

Staff: Kathleen Buchli (786-7488)

Background: The Public Disclosure Act mandates the disclosure of public records unless the records fall under a specific exemption. Financial information supplied by or on behalf of a person, firm, corporation, limited liability company, partnership, or other entity related to an application for a gambling license is exempt from disclosure.

House-banked card game licensees must annually prepare financial statements covering all financial activities of the licensee's establishment and file these statements with the Gambling Commission (Commission). Whether these financial statements are subject to public disclosure or fall under the exemption for gambling license applications is currently being litigated.

Summary of Bill: Independent auditors' reports and financial statements of licensees required by the Commission are exempt from public disclosure. When the Commission receives a request for disclosure of an independent auditor's report or financial statements, the Commission must notify the person whose information is the subject of the request and release the information if that person consents to the release.

The exemption to the Public Disclosure Act created by the bill is remedial and applies retroactively.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and sections 1 and 5 take effect immediately. Section 2 takes effect June 30, 2008.

Staff Summary of Public Testimony: PRO: The Gambling Commission voted to support this bill. In 2006, there were 18 requests for financial statements of gambling commission licensees. While the Gambling Commission requires financial statements from its licensees, it was not anticipated that this information would be subject to disclosure and available to the public. This is business information and should not be released to business competitors.

Persons Testifying: PRO: Amy Hunter, Washington State Gambling Commission; Dolores Chiechi, Recreational Gaming Association.