

ESHB 2638 - S AMD TO S-7375.1 1329

By Senator Rivers

WITHDRAWN 03/05/2020

1 On page 1, after 13, insert

2 "In addition, the legislature intends that card rooms are
3 currently licensed should be allowed to conduct sport wagering.

4

5 On page 1, line 29, after "(2)" insert the following:

6 "Beginning January 1, 2024, card rooms may conduct sports
7 wagering through sports pools and online sports pools at the card
8 room facility as provided in this chapter.

9 (3) The commission may issue licenses prior to January 1, 2024,
10 to be effective on January 1, 2024. The commission may not issue a
11 sports wagering license to any person or entity unless it was
12 licensed and in operation as a card room as of January 1, 2020, and
13 has established its financial stability, integrity, responsibility,
14 good character, and honesty. No license to operate a sports pool may
15 be issued to any person or entity that is disqualified for a license
16 under chapter 9.46 or 67.16 RCW. The commission has the authority to
17 charge a card room a fee for the issuance of a sports wagering
18 license in an amount of five hundred thousand dollars for the
19 initial issuance and, in the case of a renewal, a reasonable fee
20 adopted by rule that is based upon the expense associated with
21 renewal, enforcement, and programs for the prevention and treatment
22 of problem gambling.

23 (4) "

24 On page 1, line 29, after "provisions of", strike " Sports
25 wagering conducted pursuant to the provisions of a class III gaming
26 compact entered into by a tribe and the state pursuant to RCW

27

1 9.46.360" and insert "Sports wagering conducted pursuant to the
2 provisions of this chapter"

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4 On page 2, line 2, after "9.46.225." insert the following:

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6 "NEW SECTION. **Sec. 1.** A new section is added to chapter 9.46
7 RCW to read as follows:

8 (1) No sports wagering may be offered or made available to the
9 public, except as provided in this chapter.

10 (2) Any person who offers sports wagering without a license or
11 pursuant to a compact is guilty of a class B felony and is subject
12 to a fine of not more than twenty-five thousand dollars, and, in the
13 case of a person other than a natural person, a fine of not more
14 than one hundred thousand dollars.

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16 NEW SECTION. **Sec. 2.** A new section is added to chapter 9.46
17 RCW to read as follows:

18 (1)(a) Any person who: (i) Is an athlete, coach, referee, or
19 director of a sports governing body or any of its member teams; (ii)
20 is a sports governing body or any of its member teams; (iii) is a
21 player or a referee personnel member in or on any sports event
22 overseen by that person's sports governing body based on publicly
23 available information; (iv) holds a position of authority or
24 influence sufficient to exert influence over the participants in a
25 sporting contest, including, but not limited to, coaches, managers,
26 handlers, athletic trainers, or horse trainers; (v) has access to
27 certain types of exclusive information on any sports event overseen
28 by that person's sports governing body based on publicly available
29 information; or (vi) is identified by any lists provided by the
30 sports governing body to the commission, may not have any ownership
31 interest in, control of, or otherwise be employed by, an operator, a
32 sports wagering licensee, or a facility in which sports wagering is
33 or will be conducted, or place a wager on a sports event that is
34 overseen by that person's sports governing body based on publicly

1 available information. Any person who violates this subsection is
2 guilty of a misdemeanor and must, upon conviction, be punished by
3 either imprisonment in the county jail for a maximum term fixed by
4 the court of not more than ninety days or a fine in an amount fixed
5 by the court of not more than one thousand dollars, or both.

6 (b) Any employee of a sports governing body or its member teams
7 who is not prohibited from wagering on a sports event must provide
8 notice to the commission prior to placing a wager on a sports event.

9 (c) The direct or indirect legal or beneficial owner of ten
10 percent or more of a sports governing body or any of its member
11 teams may not place or accept any wager on a sports event in which
12 any member team of that sports governing body participates.

13 (2) The prohibition set forth in subsection (1) of this section
14 does not apply to any person who is a direct or indirect owner of a
15 specific sports governing body member team, and (a) the person has
16 less than ten percent direct or indirect ownership interest in a
17 casino or racetrack, or (b) the shares of such person are registered
18 pursuant to section 12 of the securities exchange act of 1934 (15
19 U.S.C. Sec. 781), as amended, and the value of the ownership of such
20 team represents less than one percent of the person's total
21 enterprise value.

22 (3) An operator must adopt procedures to prevent persons who are
23 prohibited from placing sports wagers from wagering on sports events.

24 (4) An operator may not accept wagers from any person whose
25 identity is known to the operator and:

26 (a) Whose name appears on any self-exclusion programs list
27 provided under RCW 9.46.071;

28 (b) Who is the operator, director, officer, owner, or employee
29 of the operator or any relative thereof living in the same household
30 as the operator;

31 (c) Who has access to nonpublic confidential information held by
32 the operator; or

33 (d) Who is an agent or proxy for any other person.

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1 (5) An operator must adopt procedures to obtain personally
2 identifiable information from any individual who places any single
3 wager in an amount of ten thousand dollars or greater on a sports
4 event while physically present in a tribal casino or card room
5 facility.

6 (6) For purposes of this section, "operator" means a tribal
7 casino or card room conducting sport wagering.

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9 NEW SECTION. **Sec. 3.** A new section is added to chapter 9.46
10 RCW to read as follows:

11 (1) The commission may adopt rules to implement section 2 of
12 this act. These rules may not be more restrictive for card rooms
13 conducting sport wagering than the provisions authorizing sports
14 wagering in any tribe's class III gaming compact with the state.

15 (2) The rules may address the following:

16 (a) Documentation and forms required for licensing;

17 (b) Licensing of employees conducting sport wagering;

18 (c) How wagering may be conducted, including requiring licensees
19 to adopt and display its house rules governing sport wagering
20 transactions;

21 (d) How unclaimed winnings may be disbursed, including providing
22 for a percentage of the unclaimed winning to be remitted to the
23 problem gambling account created in RCW 41.05.751; and

24 (e) Other matters as the commission deems necessary to protect
25 the public and integrity of sport wagering."

26 Renumber the remaining sections consecutively and correct any
27 internal references accordingly.

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29 On page 12, line 21, after "gaming facility", insert "or a card
30 room"

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32 On page 12, line 23, after "gaming facility", insert "or a card
33 room"

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1 On page 13, line 5, after "1", strike everything through page
2 13, line 35 and insert

3 " For purposes of this chapter:

4 (a) "Card room" means a business licensed to conduct social card
5 games pursuant to RCW 9.46.0325.

6 (b) "Online sports pool" means a sports wagering operation in
7 which wagers on sports events are made through computers or mobile
8 or interactive devices and accepted at a sports wagering lounge
9 through an online gaming system that is operating pursuant to a
10 sports wagering license issued by the commission.

11 (c) "Sports pool" means the business of accepting wagers on any
12 sports event by any system or method of wagering, including, but not
13 limited to, single-game bets, teaser bets, parlays, over/under,
14 money line, pools, exchange wagering, in-game wagering, in-play
15 bets, proposition bets, or straight bets.

16 (d)(i) "Sports wagering" means the business of accepting wagers
17 on any of the following sporting events, athletic events, or
18 competitions by any system or method of wagering:

19 (A) A professional sport or athletic event;

20 (B) A collegiate sport or athletic event;

21 (C) An Olympic or international sports competition or event;

22 (D) An electronic sports or esports competition or event;

23 (E) A combination of sporting events, athletic events, or
24 competitions listed in (d)(i)(A) through (D) of this subsection (1);

25 or

26 (F) A portion of any sporting event, athletic event, or
27 competition listed in (d)(i)(A) through (D) of this subsection (1).

28 (ii) Sports wagering does not include the business of accepting
29 wagers on horse racing authorized pursuant to chapter 67.16 RCW.

30 (2) For purposes of this section:

31 (a) "Collegiate sport or athletic event" means a sport or
32 athletic event offered or sponsored by, or played in connection
33 with, a public or private institution that offers education services

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1 beyond the secondary level, other than such an institution that is
2 located within the state of Washington.

3 (b) "Electronic or esports event" means a live event or
4 tournament attended or watched by members of the public where games
5 or matches are contested in real time by players and teams and
6 players or teams can win a prize based on their performance in the
7 live event or tournament.

8 (c) "Professional sport or athletic event" means an event that
9 is not a collegiate sport or athletic event at which two or more
10 persons participate in sports or athletic events and receive
11 compensation in excess of actual expenses for their participation in
12 the event."

13 On page 15, line 2, after "2021." insert the following:

14 "NEW SECTION. Sec. 4. A new section is added to chapter 82.04
15 RCW to read as follows:

16 (1) There is levied and collected from every card room
17 conducting sports wagering in this state, a tax in the amount of ten
18 percent of the gaming revenue.

19 (2) Card rooms conducting sports wagering subject to the tax
20 imposed by this section must report to the department the amount of
21 gaming revenue earned by location. The tax imposed by this section
22 must be paid to, and administered by, the department. The
23 administration of the tax is governed by the provisions of chapter
24 82.32 RCW.

25 (3) For purposes of this section:

26 (a) "Card room" has the same meaning as in section 14 of this act.

27 (b) "Gaming revenue" means the total amount wagered less
28 winnings paid out.

29 (c) "Sports wagering" has the same meaning as in section 14 of
30 this act."

31 EFFECT: Modifies the legislative intent. Authorizes card rooms
32 licensed as of January 1, 2020, to conduct sport wagering
33 through sports pools and online sport pools at the card room

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facility effective January 1, 2024. Makes offering sports wagering without a license or pursuant to a compact a class B felony and provides fines. Prohibits certain persons and entities from making wagers, being employed by, or owning certain entities related to sport wagering and provides that violations are a misdemeanor subject to a fine. Prohibits sports wagering operators from accepting wagers from certain person, including those on self-exclusion lists. Requires operators to obtain information on those wagering \$10,000 or more. Allows the Commission to make rules to implement the authorization of sports wagering but rules related to card rooms may not be more restrictive than provisions in compacts authorizing sports wagering. Provides definitions for card rooms, sports pools, and online sports pools. Adds sports wagering without a license to the table of crimes. Provides a 10 percent tax on card rooms' gaming revenue, which is the amount wagered less winnings paid out. Removes the emergency clause, which made the act effective immediately.

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