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ENGROSSED SUBSTITUTE HOUSE BILL 2638

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State of Washington

66th Legislature

2020 Regular Session

By House Commerce & Gaming (originally sponsored by Representatives Peterson, MacEwen, Stonier, Harris, Robinson, Young, Ortiz-Self, Stokesbary, Tharinger, Walsh, Riccelli, Appleton, Griffey, Hansen, Kloba, Lekanoff, Sells, Chapman, Gregerson, and Ramel)

READ FIRST TIME 02/03/20.

1 AN ACT Relating to authorizing sports wagering subject to the  
2 terms of tribal-state gaming compacts; amending RCW 9.46.070,  
3 9.46.130, 9.46.190, 9.46.210, 9.46.220, 9.46.240, and 9.46.090;  
4 adding new sections to chapter 9.46 RCW; creating a new section;  
5 prescribing penalties; making an appropriation; and declaring an  
6 emergency.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8 NEW SECTION. **Sec. 1.** It has long been the policy of this state  
9 to prohibit all forms and means of gambling except where carefully  
10 and specifically authorized and regulated. The legislature intends to  
11 further this policy by authorizing sports wagering on a very limited  
12 basis by restricting it to tribal casinos in the state of Washington.  
13 Tribes have more than twenty years' experience with, and a proven  
14 track record of, successfully operating and regulating gaming  
15 facilities in accordance with tribal gaming compacts. Tribal casinos  
16 can operate sports wagering pursuant to these tribal gaming compacts,  
17 offering the benefits of the same highly regulated environment to  
18 sports wagering.

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

1 (1) Upon the request of a federally recognized Indian tribe or  
2 tribes in the state of Washington, the tribe's class III gaming  
3 compact may be amended pursuant to the Indian gaming regulatory act,  
4 25 U.S.C. Sec. 2701 et seq., and RCW 9.46.360 to authorize the tribe  
5 to conduct and operate sports wagering on its Indian lands, provided  
6 the amendment addresses: Licensing; fees associated with the gambling  
7 commission's regulation of sports wagering; how sports wagering will  
8 be conducted, operated, and regulated; issues related to criminal  
9 enforcement, including money laundering, sport integrity, and  
10 information sharing between the commission and the tribe related to  
11 such enforcement; and responsible and problem gambling. Sports  
12 wagering conducted pursuant to the gaming compact is a gambling  
13 activity authorized by this chapter.

14 (2) Sports wagering conducted pursuant to the provisions of a  
15 class III gaming compact entered into by a tribe and the state  
16 pursuant to RCW 9.46.360 is authorized bookmaking and is not subject  
17 to civil or criminal penalties pursuant to RCW 9.46.225.

18 **Sec. 3.** RCW 9.46.070 and 2012 c 116 s 1 are each amended to read  
19 as follows:

20 The commission shall have the following powers and duties:

21 (1) To authorize and issue licenses for a period not to exceed  
22 one year to bona fide charitable or nonprofit organizations approved  
23 by the commission meeting the requirements of this chapter and any  
24 rules and regulations adopted pursuant thereto permitting said  
25 organizations to conduct bingo games, raffles, amusement games, and  
26 social card games, to utilize punchboards and pull-tabs in accordance  
27 with the provisions of this chapter and any rules and regulations  
28 adopted pursuant thereto and to revoke or suspend said licenses for  
29 violation of any provisions of this chapter or any rules and  
30 regulations adopted pursuant thereto: PROVIDED, That the commission  
31 shall not deny a license to an otherwise qualified applicant in an  
32 effort to limit the number of licenses to be issued: PROVIDED  
33 FURTHER, That the commission or director shall not issue, deny,  
34 suspend, or revoke any license because of considerations of race,  
35 sex, creed, color, or national origin: AND PROVIDED FURTHER, That the  
36 commission may authorize the director to temporarily issue or suspend  
37 licenses subject to final action by the commission;

38 (2) To authorize and issue licenses for a period not to exceed  
39 one year to any person, association, or organization operating a

1 business primarily engaged in the selling of items of food or drink  
2 for consumption on the premises, approved by the commission meeting  
3 the requirements of this chapter and any rules and regulations  
4 adopted pursuant thereto permitting said person, association, or  
5 organization to utilize punchboards and pull-tabs and to conduct  
6 social card games as a commercial stimulant in accordance with the  
7 provisions of this chapter and any rules and regulations adopted  
8 pursuant thereto and to revoke or suspend said licenses for violation  
9 of any provisions of this chapter and any rules and regulations  
10 adopted pursuant thereto: PROVIDED, That the commission shall not  
11 deny a license to an otherwise qualified applicant in an effort to  
12 limit the number of licenses to be issued: PROVIDED FURTHER, That the  
13 commission may authorize the director to temporarily issue or suspend  
14 licenses subject to final action by the commission;

15 (3) To authorize and issue licenses for a period not to exceed  
16 one year to any person, association, or organization approved by the  
17 commission meeting the requirements of this chapter and meeting the  
18 requirements of any rules and regulations adopted by the commission  
19 pursuant to this chapter as now or hereafter amended, permitting said  
20 person, association, or organization to conduct or operate amusement  
21 games in such manner and at such locations as the commission may  
22 determine. The commission may authorize the director to temporarily  
23 issue or suspend licenses subject to final action by the commission;

24 (4) To authorize, require, and issue, for a period not to exceed  
25 one year, such licenses as the commission may by rule provide, to any  
26 person, association, or organization to engage in the manufacturing,  
27 selling, distributing, or otherwise supplying (~~or in the~~  
28 ~~manufacturing~~) of devices, equipment, software, hardware, or any  
29 gambling-related services for use within this state for those  
30 activities authorized by this chapter. The commission may authorize  
31 the director to temporarily issue or suspend licenses subject to  
32 final action by the commission;

33 (5) To establish a schedule of annual license fees for carrying  
34 on specific gambling activities upon the premises, and for such other  
35 activities as may be licensed by the commission, which fees shall  
36 provide to the commission not less than an amount of money adequate  
37 to cover all costs incurred by the commission relative to licensing  
38 under this chapter and the enforcement by the commission of the  
39 provisions of this chapter and rules and regulations adopted pursuant  
40 thereto: PROVIDED, That all licensing fees shall be submitted with an

1 application therefor and such portion of said fee as the commission  
2 may determine, based upon its cost of processing and investigation,  
3 shall be retained by the commission upon the withdrawal or denial of  
4 any such license application as its reasonable expense for processing  
5 the application and investigation into the granting thereof: PROVIDED  
6 FURTHER, That if in a particular case the basic license fee  
7 established by the commission for a particular class of license is  
8 less than the commission's actual expenses to investigate that  
9 particular application, the commission may at any time charge to that  
10 applicant such additional fees as are necessary to pay the commission  
11 for those costs. The commission may decline to proceed with its  
12 investigation and no license shall be issued until the commission has  
13 been fully paid therefor by the applicant: AND PROVIDED FURTHER, That  
14 the commission may establish fees for the furnishing by it to  
15 licensees of identification stamps to be affixed to such devices and  
16 equipment as required by the commission and for such other special  
17 services or programs required or offered by the commission, the  
18 amount of each of these fees to be not less than is adequate to  
19 offset the cost to the commission of the stamps and of administering  
20 their dispersal to licensees or the cost of administering such other  
21 special services, requirements or programs;

22 (6) To prescribe the manner and method of payment of taxes, fees  
23 and penalties to be paid to or collected by the commission;

24 (7) To require that applications for all licenses contain such  
25 information as may be required by the commission: PROVIDED, That all  
26 persons (a) having a managerial or ownership interest in any gambling  
27 activity, or the building in which any gambling activity occurs, or  
28 the equipment to be used for any gambling activity, ((~~e~~)) (b)  
29 participating as an employee in the operation of any gambling  
30 activity, or (c) participating as an employee in the operation,  
31 management, or providing of gambling-related services for sports  
32 wagering, shall be listed on the application for the license and the  
33 applicant shall certify on the application, under oath, that the  
34 persons named on the application are all of the persons known to have  
35 an interest in any gambling activity, building, or equipment by the  
36 person making such application: PROVIDED FURTHER, That the commission  
37 shall require fingerprinting and national criminal history background  
38 checks on any persons seeking licenses, certifications, or permits  
39 under this chapter or of any person holding an interest in any  
40 gambling activity, building, or equipment to be used therefor, or of

1 any person participating as an employee in the operation of any  
2 gambling activity. All national criminal history background checks  
3 shall be conducted using fingerprints submitted to the United States  
4 department of justice-federal bureau of investigation. The commission  
5 must establish rules to delineate which persons named on the  
6 application are subject to national criminal history background  
7 checks. In identifying these persons, the commission must take into  
8 consideration the nature, character, size, and scope of the gambling  
9 activities requested by the persons making such applications;

10 (8) To require that any license holder maintain records as  
11 directed by the commission and submit such reports as the commission  
12 may deem necessary;

13 (9) To require that all income from bingo games, raffles, and  
14 amusement games be recorded and reported as established by rule or  
15 regulation of the commission to the extent deemed necessary by  
16 considering the scope and character of the gambling activity in such  
17 a manner that will disclose gross income from any gambling activity,  
18 amounts received from each player, the nature and value of prizes,  
19 and the fact of distributions of such prizes to the winners thereof;

20 (10) To regulate and establish maximum limitations on income  
21 derived from bingo. In establishing limitations pursuant to this  
22 subsection the commission shall take into account (a) the nature,  
23 character, and scope of the activities of the licensee; (b) the  
24 source of all other income of the licensee; and (c) the percentage or  
25 extent to which income derived from bingo is used for charitable, as  
26 distinguished from nonprofit, purposes. However, the commission's  
27 powers and duties granted by this subsection are discretionary and  
28 not mandatory;

29 (11) To regulate and establish the type and scope of and manner  
30 of conducting the gambling activities authorized by this chapter,  
31 including but not limited to, the extent of wager, money, or other  
32 thing of value which may be wagered or contributed or won by a player  
33 in any such activities;

34 (12) To regulate the collection of and the accounting for the fee  
35 which may be imposed by an organization, corporation, or person  
36 licensed to conduct a social card game on a person desiring to become  
37 a player in a social card game in accordance with RCW 9.46.0282;

38 (13) To cooperate with and secure the cooperation of county,  
39 city, and other local or state agencies in investigating any matter  
40 within the scope of its duties and responsibilities;

1 (14) In accordance with RCW 9.46.080, to adopt such rules and  
2 regulations as are deemed necessary to carry out the purposes and  
3 provisions of this chapter. All rules and regulations shall be  
4 adopted pursuant to the administrative procedure act, chapter 34.05  
5 RCW;

6 (15) To set forth for the perusal of counties, city-counties,  
7 cities and towns, model ordinances by which any legislative authority  
8 thereof may enter into the taxing of any gambling activity authorized  
9 by this chapter;

10 (16)(a) To establish and regulate a maximum limit on salaries or  
11 wages which may be paid to persons employed in connection with  
12 activities conducted by bona fide charitable or nonprofit  
13 organizations and authorized by this chapter, where payment of such  
14 persons is allowed, and to regulate and establish maximum limits for  
15 other expenses in connection with such authorized activities,  
16 including but not limited to rent or lease payments. However, the  
17 commissioner's powers and duties granted by this subsection are  
18 discretionary and not mandatory.

19 (b) In establishing these maximum limits the commission shall  
20 take into account the amount of income received, or expected to be  
21 received, from the class of activities to which the limits will apply  
22 and the amount of money the games could generate for authorized  
23 charitable or nonprofit purposes absent such expenses. The commission  
24 may also take into account, in its discretion, other factors,  
25 including but not limited to, the local prevailing wage scale and  
26 whether charitable purposes are benefited by the activities;

27 (17) To authorize, require, and issue for a period not to exceed  
28 one year such licenses or permits, for which the commission may by  
29 rule provide, to any person to work for any operator of any gambling  
30 activity authorized by this chapter in connection with that activity,  
31 or any manufacturer, supplier, or distributor of devices for those  
32 activities in connection with such business. The commission may  
33 authorize the director to temporarily issue or suspend licenses  
34 subject to final action by the commission. The commission shall not  
35 require that persons working solely as volunteers in an authorized  
36 activity conducted by a bona fide charitable or bona fide nonprofit  
37 organization, who receive no compensation of any kind for any purpose  
38 from that organization, and who have no managerial or supervisory  
39 responsibility in connection with that activity, be licensed to do  
40 such work. The commission may require that licensees employing such

1 unlicensed volunteers submit to the commission periodically a list of  
2 the names, addresses, and dates of birth of the volunteers. If any  
3 volunteer is not approved by the commission, the commission may  
4 require that the licensee not allow that person to work in connection  
5 with the licensed activity;

6 (18) To publish and make available at the office of the  
7 commission or elsewhere to anyone requesting it a list of the  
8 commission licensees, including the name, address, type of license,  
9 and license number of each licensee;

10 (19) To establish guidelines for determining what constitutes  
11 active membership in bona fide nonprofit or charitable organizations  
12 for the purposes of this chapter;

13 (20) To renew the license of every person who applies for renewal  
14 within six months after being honorably discharged, removed, or  
15 released from active military service in the armed forces of the  
16 United States upon payment of the renewal fee applicable to the  
17 license period, if there is no cause for denial, suspension, or  
18 revocation of the license;

19 (21) To authorize, require, and issue, for a period not to exceed  
20 one year, such licenses as the commission may by rule provide, to any  
21 person, association, or organization that engages in any sports  
22 wagering-related services for use within this state for sports  
23 wagering activities authorized by this chapter. The commission may  
24 authorize the director to temporarily issue or suspend licenses  
25 subject to final action by the commission;

26 (22) To issue licenses under subsections (1) through (4) of this  
27 section that are valid for a period of up to eighteen months, if it  
28 chooses to do so, in order to transition to the use of the business  
29 licensing services program through the department of revenue; and

30 (~~(+22)~~) (23) To perform all other matters and things necessary  
31 to carry out the purposes and provisions of this chapter.

32 **Sec. 4.** RCW 9.46.130 and 2011 c 336 s 303 are each amended to  
33 read as follows:

34 (1) The premises and paraphernalia, and all the books and  
35 records, databases, hardware, software, or any other electronic data  
36 storage device of any person, association, or organization conducting  
37 gambling activities authorized under this chapter and any person,  
38 association, or organization receiving profits therefrom or having  
39 any interest therein shall be subject to inspection and audit at any

1 reasonable time, with or without notice, upon demand, by the  
2 commission or its designee, the attorney general or his or her  
3 designee, the chief of the Washington state patrol or his or her  
4 designee or the prosecuting attorney, sheriff, or director of public  
5 safety or their designees of the county wherein located, or the chief  
6 of police or his or her designee of any city or town in which said  
7 organization is located, for the purpose of determining compliance or  
8 noncompliance with the provisions of this chapter and any rules or  
9 regulations or local ordinances adopted pursuant thereto or any  
10 federal or state law. A reasonable time for the purpose of this  
11 section shall be: ~~((1))~~ (a) If the items or records to be inspected  
12 or audited are located anywhere upon a premises any portion of which  
13 is regularly open to the public or members and guests, then at any  
14 time when the premises are so open, or at which they are usually  
15 open; or ~~((2))~~ (b) if the items or records to be inspected or  
16 audited are not located upon a premises set out in ~~((subsection (1))~~  
17 (a) of this ~~((section))~~ subsection, then any time between the hours  
18 of 8:00 a.m. and 9:00 p.m., Monday through Friday.

19 (2) The commission shall be provided at such reasonable intervals  
20 as the commission shall determine with a report, under oath,  
21 detailing all receipts and disbursements in connection with such  
22 gambling activities together with such other reasonable information  
23 as required in order to determine whether such activities comply with  
24 the purposes of this chapter or any local ordinances relating  
25 thereto.

26 (3) The commission may require the submission of reports on  
27 suspicious activities or irregular betting activities to effectively  
28 identify players, wagering information, and suspicious and illegal  
29 transactions, including the laundering of illicit funds.

30 NEW SECTION. Sec. 5. A new section is added to chapter 9.46 RCW  
31 to read as follows:

32 (1) No person shall offer, promise, give, or attempt to give any  
33 thing of value to any person for the purpose of influencing the  
34 outcome of a sporting event, athletic event, or competition upon  
35 which a wager may be made.

36 (2) No person shall place, increase, or decrease a wager after  
37 acquiring knowledge, not available to the general public, that anyone  
38 has been offered, promised, or given any thing of value for the  
39 purpose of influencing the outcome of a sporting event, athletic



1 event, or competition upon which the wager is placed, increased, or  
2 decreased.

3 (3) No person shall offer, promise, give, or attempt to give any  
4 thing of value to obtain confidential or insider information not  
5 available to the public with intent to use the information to gain a  
6 wagering advantage on a sporting event, athletic event, or  
7 competition.

8 (4) No person shall accept or agree to accept, any thing of value  
9 for the purpose of wrongfully influencing his or her play, action,  
10 decision making, or conduct in any sporting event, athletic event, or  
11 competition upon which a wager may be made.

12 (5) Any person who violates this section shall be guilty of a  
13 class C felony subject to the penalty set forth in RCW 9A.20.021.

14 **Sec. 6.** RCW 9.46.190 and 1991 c 261 s 7 are each amended to read  
15 as follows:

16 Any person ~~((or))~~, association, or organization operating any  
17 gambling activity ~~((who or which))~~ may not, directly or indirectly,  
18 ~~((shall))~~ in the course of such operation:

19 (1) Employ any device, scheme, or artifice to defraud; ~~((or))~~

20 (2) Make any untrue statement of a material fact, or omit to  
21 state a material fact necessary in order to make the statement made  
22 not misleading, in the light of the circumstances under which said  
23 statement is made; ~~((or))~~

24 (3) Engage in any act, practice, or course of operation as would  
25 operate as a fraud or deceit upon any person;

26 ~~((shall))~~ (4) Alter or misrepresent the outcome of a game or  
27 other event on which wagers have been made after the outcome is made  
28 sure but before it is revealed to the players;

29 (5) Place, increase, or decrease a bet or to determine the course  
30 of play after acquiring knowledge, not available to all players, of  
31 the outcome of the game or any event that affects the outcome of the  
32 game or which is the subject of the bet or to aid anyone in acquiring  
33 such knowledge for the purpose of placing, increasing, or decreasing  
34 a bet or determining the course of play contingent upon that event or  
35 outcome;

36 (6) Knowingly entice or induce another person to go to any place  
37 where a gambling activity is being conducted or operated in violation  
38 of the provisions of this chapter, with the intent that the other  
39 person play or participate in that gambling activity;

1       (7) Place or increase a bet after acquiring knowledge of the  
2 outcome of the game or other event that is the subject of the bet,  
3 including past posting and pressing bets; or

4       (8) Reduce the amount wagered or cancel the bet after acquiring  
5 knowledge of the outcome of the game or other event that is the  
6 subject of the bet, including pinching bets. Any person, association,  
7 or organization that violates this section shall be guilty of a  
8 (~~gross misdemeanor~~) class C felony subject to the penalty set forth  
9 in RCW 9A.20.021.

10       **Sec. 7.** RCW 9.46.210 and 2000 c 46 s 1 are each amended to read  
11 as follows:

12       (1) It shall be the duty of all peace officers, law enforcement  
13 officers, and law enforcement agencies within this state to  
14 investigate, enforce, and prosecute all violations of this chapter.

15       (2) In addition to the authority granted by subsection (1) of  
16 this section law enforcement agencies of cities and counties shall  
17 investigate and report to the commission all violations of the  
18 provisions of this chapter and of the rules of the commission found  
19 by them and shall assist the commission in any of its investigations  
20 and proceedings respecting any such violations. Such law enforcement  
21 agencies shall not be deemed agents of the commission.

22       (3) In addition to its other powers and duties, the commission  
23 shall have the power to enforce the penal provisions of this chapter  
24 (~~(218, Laws of 1973 1st ex. sess.)~~) and as it may be amended, and the  
25 penal laws of this state relating to the conduct of or participation  
26 in gambling activities, including chapter 9A.83 RCW, and the  
27 manufacturing, importation, transportation, distribution, possession,  
28 and sale of equipment or paraphernalia used or for use in connection  
29 therewith. The director, the deputy director, both assistant  
30 directors, and each of the commission's investigators, enforcement  
31 officers, and inspectors shall have the power, under the supervision  
32 of the commission, to enforce the penal provisions of this chapter  
33 (~~(218, Laws of 1973 1st ex. sess.)~~) and as it may be amended, and the  
34 penal laws of this state relating to the conduct of or participation  
35 in gambling activities, including chapter 9A.83 RCW, and the  
36 manufacturing, importation, transportation, distribution, possession,  
37 and sale of equipment or paraphernalia used or for use in connection  
38 therewith. They shall have the power and authority to apply for and  
39 execute all warrants and serve process of law issued by the courts in

1 enforcing the penal provisions of this chapter (~~(218, Laws of 1973~~  
2 ~~1st ex. sess.)~~) and as it may be amended, and the penal laws of this  
3 state relating to the conduct of or participation in gambling  
4 activities and the manufacturing, importation, transportation,  
5 distribution, possession, and sale of equipment or paraphernalia used  
6 or for use in connection therewith. They shall have the power to  
7 arrest without a warrant, any person or persons found in the act of  
8 violating any of the penal provisions of this chapter (~~(218, Laws of~~  
9 ~~1973 1st ex. sess.)~~) and as it may be amended, and the penal laws of  
10 this state relating to the conduct of or participation in gambling  
11 activities and the manufacturing, importation, transportation,  
12 distribution, possession, and sale of equipment or paraphernalia used  
13 or for use in connection therewith. To the extent set forth above,  
14 the commission shall be a law enforcement agency of this state with  
15 the power to investigate for violations of and to enforce the  
16 provisions of this chapter, as now law or hereafter amended, and to  
17 obtain information from and provide information to all other law  
18 enforcement agencies.

19 (4) Criminal history record information that includes  
20 nonconviction data, as defined in RCW 10.97.030, may be disseminated  
21 by a criminal justice agency to the Washington state gambling  
22 commission for any purpose associated with the investigation for  
23 suitability for involvement in gambling activities authorized under  
24 this chapter. The Washington state gambling commission shall only  
25 disseminate nonconviction data obtained under this section to  
26 criminal justice agencies.

27 (5) In addition to its other powers and duties, the commission  
28 may ensure sport integrity and prevent and detect competition  
29 manipulation through education and enforcement of the penal  
30 provisions of this chapter or chapter 67.04 or 67.24 RCW, or any  
31 other state penal laws related to the integrity of sporting events,  
32 athletic events, or competitions within the state.

33 (6) In addition to its other powers and duties, the commission  
34 may track and monitor gambling-related transactions occurring within  
35 the state to aid in its enforcement of the penal provisions of this  
36 chapter or chapter 9A.83 RCW, or any other state penal laws related  
37 to suspicious or illegal wagering activities, including the use of  
38 funds derived from illegal activity, wagers to conceal or launder  
39 funds derived from illegal activity, use of agents to place wagers,  
40 or use of false identification by a player.

1       **Sec. 8.** RCW 9.46.220 and 1997 c 78 s 2 are each amended to read  
2 as follows:

3       (1) A person is guilty of professional gambling in the first  
4 degree if he or she engages in, or knowingly causes, aids, abets, or  
5 conspires with another to engage in professional gambling as defined  
6 in this chapter, and:

7       (a) Acts in concert with or conspires with five or more people;  
8       (~~(e)~~)

9       (b) Personally accepts wagers exceeding five thousand dollars  
10 during any thirty-day period on future contingent events; (~~(e)~~)

11       (c) The operation for whom the person works, or with which the  
12 person is involved, accepts wagers exceeding five thousand dollars  
13 during any thirty-day period on future contingent events; (~~(e)~~)

14       (d) Operates, manages, or profits from the operation of a  
15 premises or location where persons are charged a fee to participate  
16 in card games, lotteries, or other gambling activities that are not  
17 authorized by this chapter or licensed by the commission; or

18       (e) Engages in bookmaking as defined in RCW 9.46.0213.

19       (2) However, this section shall not apply to those activities  
20 enumerated in RCW 9.46.0305 through 9.46.0361 or to any act or acts  
21 in furtherance of such activities when conducted in compliance with  
22 the provisions of this chapter and in accordance with the rules  
23 adopted pursuant to this chapter.

24       (3) Professional gambling in the first degree is a class B felony  
25 subject to the penalty set forth in RCW 9A.20.021.

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

28       The transmission of gambling information over the internet for  
29 any sports wagering conducted and operated under this section and  
30 section 2 of this act is authorized, provided that the wager may be  
31 placed and accepted at a tribe's gaming facility only while the  
32 customer placing the wager is physically present on the premises of  
33 that tribe's gaming facility.

34       **Sec. 10.** RCW 9.46.240 and 2006 c 290 s 2 are each amended to  
35 read as follows:

36       (1) Whoever knowingly transmits or receives gambling information  
37 by telephone, telegraph, radio, semaphore, the internet, a  
38 telecommunications transmission system, or similar means, or

1 knowingly installs or maintains equipment for the transmission or  
2 receipt of gambling information shall be guilty of a class C felony  
3 subject to the penalty set forth in RCW 9A.20.021. (~~However, this~~)

4 (2) This section shall not apply to such information transmitted  
5 or received or equipment or devices installed or maintained relating  
6 to activities authorized by this chapter including, but not limited  
7 to, sports wagering authorized under sections 2 and 9 of this act, or  
8 to any act or acts in furtherance thereof when conducted in  
9 compliance with the provisions of this chapter and in accordance with  
10 the rules adopted under this chapter and conducted in accordance with  
11 tribal-state compacts.

12 NEW SECTION. Sec. 11. A new section is added to chapter 9.46  
13 RCW to read as follows:

14 (1)(a) For purposes of this chapter, "sports wagering" means the  
15 business of accepting wagers on any of the following sporting events,  
16 athletic events, or competitions by any system or method of wagering:

17 (i) A professional sport or athletic event;

18 (ii) A collegiate sport or athletic event;

19 (iii) An Olympic or international sports competition or event;

20 (iv) An electronic sports or esports competition or event;

21 (v) A combination of sporting events, athletic events, or  
22 competitions listed in (a)(i) through (iv) of this subsection (1); or

23 (vi) A portion of any sporting event, athletic event, or  
24 competition listed in (a)(i) through (iv) of this subsection (1).

25 (b) Sports wagering does not include the business of accepting  
26 wagers on horse racing authorized pursuant to chapter 67.16 RCW.

27 (2) For purposes of this section:

28 (a) "Collegiate sport or athletic event" means a sport or  
29 athletic event offered or sponsored by, or played in connection with,  
30 a public or private institution that offers education services beyond  
31 the secondary level, other than such an institution that is located  
32 within the state of Washington.

33 (b) "Electronic or esports event" means a live event or  
34 tournament attended or watched by members of the public where games  
35 or matches are contested in real time by players and teams and  
36 players or teams can win a prize based on their performance in the  
37 live event or tournament.

38 (c) "Professional sport or athletic event" means an event that is  
39 not a collegiate sport or athletic event at which two or more persons

1 participate in sports or athletic events and receive compensation in  
2 excess of actual expenses for their participation in the event.

3 **Sec. 12.** RCW 9.46.090 and 1987 c 505 s 3 are each amended to  
4 read as follows:

5 Subject to RCW 40.07.040, the commission shall, from time to  
6 time, make reports to the governor and the legislature covering such  
7 matters in connection with this chapter as the governor and the  
8 legislature may require. These reports shall be public documents and  
9 contain such general information and remarks as the commission deems  
10 pertinent thereto and any information requested by either the  
11 governor or members of the legislature: PROVIDED, That the commission  
12 appointed pursuant to RCW 9.46.040 may conduct a thorough study of  
13 the types of gambling activity permitted and the types of gambling  
14 activity prohibited by this chapter and may make recommendations to  
15 the legislature as to: (1) Gambling activity that ought to be  
16 permitted; (2) gambling activity that ought to be prohibited; (3) the  
17 types of licenses and permits that ought to be required; (4) the type  
18 and amount of tax that ought to be applied to each type of permitted  
19 gambling activity; (5) any changes which may be made to the law of  
20 this state which further the purposes and policies set forth in RCW  
21 9.46.010 as now law or hereafter amended; and (6) any other matter  
22 that the commission may deem appropriate. However, no later than  
23 December 1st of the year following any authorization by the  
24 legislature of a new gambling activity, any report by the commission  
25 to the governor and the appropriate committees of the legislature  
26 must include information on the state of the gambling industry both  
27 within the state and nationwide. Members of the commission and its  
28 staff may contact the legislature, or any of its members, at any  
29 time, to advise it of recommendations of the commission.

30 NEW SECTION. **Sec. 13.** If any provision of this act or its  
31 application to any person or circumstance is held invalid, the  
32 remainder of the act or the application of the provision to other  
33 persons or circumstances is not affected.

34 NEW SECTION. **Sec. 14.** The sum of six million dollars is  
35 appropriated from the general fund—state for the fiscal year ending  
36 June 30, 2020, and is provided solely for expenditure into the  
37 gambling revolving account. The gambling commission may expend from

1 the gambling revolving account from moneys attributable to the  
2 appropriation in this section solely for enforcement actions in the  
3 illicit market for sports wagering. The appropriation in this section  
4 constitutes a loan from the general fund to the gambling revolving  
5 account that must be repaid with net interest by June 30, 2021.

6 NEW SECTION. **Sec. 15.** This act is necessary for the immediate  
7 preservation of the public peace, health, or safety, or support of  
8 the state government and its existing public institutions, and takes  
9 effect immediately.

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