

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 2638

Chapter 127, Laws of 2020

66th Legislature
2020 Regular Session

SPORTS WAGERING--TRIBAL-STATE GAMING COMPACTS

EFFECTIVE DATE: March 25, 2020

Passed by the House March 7, 2020
Yeas 83 Nays 14

LAURIE JINKINS

**Speaker of the House of
Representatives**

Passed by the Senate March 5, 2020
Yeas 34 Nays 15

CYRUS HABIB

President of the Senate

Approved March 25, 2020 3:14 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 2638** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

March 26, 2020

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE HOUSE BILL 2638

AS AMENDED BY THE SENATE

Passed Legislature - 2020 Regular Session

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)~~) an 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 "Professional sport or athletic event" does not include any minor
4 league sport. Sports wagering may not be conducted on any minor
5 league sport.

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

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

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

1 NEW SECTION. **Sec. 14.** The sum of six million dollars is
2 appropriated from the general fund—state for the fiscal year ending
3 June 30, 2020, and is provided solely for expenditure into the
4 gambling revolving account. The gambling commission may expend from
5 the gambling revolving account from moneys attributable to the
6 appropriation in this section solely for enforcement actions in the
7 illicit market for sports wagering and for implementation of this
8 act. The appropriation in this section constitutes a loan from the
9 general fund to the gambling revolving account that must be repaid
10 with net interest by June 30, 2021.

11 NEW SECTION. **Sec. 15.** This act is necessary for the immediate
12 preservation of the public peace, health, or safety, or support of
13 the state government and its existing public institutions, and takes
14 effect immediately.

Passed by the House March 7, 2020.

Passed by the Senate March 5, 2020.

Approved by the Governor March 25, 2020.

Filed in Office of Secretary of State March 26, 2020.

--- END ---