

SENATE BILL REPORT

HB 1222

As of March 14, 2025

Title: An act relating to public inspection and copying of proprietary financial and security information submitted to or obtained by the gambling commission.

Brief Description: Concerning public inspection and copying of proprietary financial and security information submitted to or obtained by the gambling commission.

Sponsors: Representatives Stearns and Kloba; by request of Gambling Commission.

Brief History: Passed House: 2/13/25, 73-21.

Committee Activity: State Government, Tribal Affairs & Elections: 3/14/25.

Brief Summary of Bill

- Expands the public records disclosure exemption relating to gaming records submitted to or obtained by the Gambling Commission to include additional financial statements and transactions, information that describes certain internal operational systems or procedures of a gaming facility, certain gaming facility security information, and certain gaming equipment information.

SENATE COMMITTEE ON STATE GOVERNMENT, TRIBAL AFFAIRS & ELECTIONS

Staff: William Bridges (786-7312)

Background: The Public Records Act. The Public Records Act (PRA) requires state and local agencies to make all public records available for public inspection and copying unless exempted, such as certain financial, commercial, and proprietary information.

Specific to gambling, the following records received by the Gambling Commission from house-banked social card game licensees or tribes with class III gaming compacts are

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exempt from disclosure requirements:

- internal control documents;
- independent auditor reports and financial statements; and
- supporting documents.

Class III gaming includes lotteries and casino games.

Summary of Bill: Expanding the Public Records Act Exemption for Gambling Commission Records. The exemption from disclosure of proprietary financial and security information submitted to or obtained by the Gambling Commission is expanded to include the following information from license applicants, licensees, gaming facilities, or tribes with a tribal gaming compact:

- financial statements and transactions, except quarterly license reports, such as bank account records, player tracking records, bond issuances, loan agreements, purchase agreements, and stock buyouts;
- information that describes the internal operational system or internal procedures to promote efficiency, safeguard assets, and avoid fraud and error, such as security camera specifications and placement, cash out procedures and locations, cage security information, building access controls, and personally identifiable information control procedures;
- gaming facility security information that may negatively impact the security of the facility if released, such as descriptions of facility layout and schematics, firewall configurations, network topologies, source codes, software files, cryptographic hashes of software files, risk and security assessment reports, disaster recovery plans, and incident response plans; and
- gaming equipment information that may compromise the security and integrity of the equipment if released, such as firewall configurations, system components, user credentials, and field testing data and the results.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: The bill will protect Oceans 11-type information related to the security of gaming establishments and the personal information of players. The Gambling Commission's mission is to protect the public by ensuring gambling is legal and honest and to keep the criminal element out of gambling. This bill is a tool in ensuring the Commission will continue to do that. This bill protects licensees and tribal gaming facilities by limiting their exposure to fraud, robberies and cyber security threats, which will protect the public by safeguarding information regarding the equipment used to

conduct gambling. This bill will help the Commission strengthen its regulatory work ensuring that gambling is kept legal and honest and will help keep the criminal element out of gambling. While drafting this legislation, the Commission reached out to tribal partners, licensees and representatives of the Sunshine Committee to solicit feedback, and the bill incorporates many of their suggestions.

OTHER: The exemptions in the bill are reasonable because the public can still see when complaints are made and investigated.

Persons Testifying: PRO: Representative Chris Stearns, Prime Sponsor; Tricia Gullion, Washington State Gambling Commission; Tina Griffin, Washington State Gambling Commission.

OTHER: Rowland Thompson, Allied Daily Newspapers and WSABroadcasters.

Persons Signed In To Testify But Not Testifying: No one.