

WSR 21-03-072

PROPOSED RULES

GAMBLING COMMISSION

[Filed January 19, 2021, 12:52 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 20-15-154.

Title of Rule and Other Identifying Information: WAC 230-03-408
Applying for sports wagering prelicensing qualification.

Hearing Location(s): On February 24, 2021, or March 11, 2021, at 9:00 a.m., at the Washington State Gambling Commission, 4565 7th Avenue S.E., Lacey, WA 98503. Public hearings will take place at scheduled commission meetings. The meeting dates, times, and locations are tentative. Visit our website at www.wsgc.wa.gov approximately seven days prior to the meeting, select "The Commission," and then select "Public Meetings" to confirm hearing date, location, start time, and agenda items.

Date of Intended Adoption: Special meeting on February 24, 2021, or at agency's March 11, 2021, public meeting. Please monitor the agency's public meetings webpage at www.wsgc.wa.gov to confirm the date and time.

Submit Written Comments to: Ashlie Laydon, P.O. Box 42400, Olympia, WA 98504-2400, email rules.coordinator@wsgc.wa.gov, fax 360-486-3632, by February 24, 2021.

Assistance for Persons with Disabilities: Contact Julie Anderson, phone 360-486-3453, TTY 360-486-3637, email julie.anderson@wsgc.wa.gov, by February 24, 2021.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The gambling commission is considering adopting new and amending current rules to implement the new sports wagering law, HB 2638, passed by the legislature during the 2020 session. A new state regulatory structure will need to be created to cover all aspects of sports wagering consistent with any new tribal-state sports wagering compact amendment. This rule would allow individuals and organizations to apply to begin the prelicensing investigation process prior to the adoption of final sports wagering licensing rules.

Reasons Supporting Proposal: The intent of this rule would be to save time and resources for both individuals and organizations who anticipate applying for a future license to provide equipment and/or services for sports wagering pursuant to a tribal-state compact as well as gambling commission staff.

Statutory Authority for Adoption: RCW 9.46.070, 9.46.075, 9.46.153.

Statute Being Implemented: RCW 9.46.070.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Washington state gambling commission, governmental.

Name of Agency Personnel Responsible for Drafting: Brian Considine, Attorney, 4565 7th Avenue S.E., Lacey, WA 98503, 360-486-3469; Implementation: David Trujillo, Director, 4565 7th Avenue S.E., Lacey, WA 98503, 360-486-3512; and Enforcement: Tina Griffin, Assistant Director, 4565 7th Avenue S.E., Lacey, WA 98503, 360-486-3546.

A school district fiscal impact statement is not required under RCW 28A.305.135.

A cost-benefit analysis is not required under RCW 34.05.328. A cost-benefit analysis is not required per RCW 34.05.328 (5)(a)(i).

This rule proposal, or portions of the proposal, is exempt from requirements of the Regulatory Fairness Act because the proposal:

Is exempt under RCW 19.85.025(3) as the rule content is explicitly and specifically dictated by statute; and rules adopt, amend, or repeal a procedure, practice, or requirement relating to agency hearings; or a filing or related process requirement for applying to an agency for a license or permit.

January 19, 2021
Ashlie Laydon
Rules Coordinator

OTS-2818.2

NEW SECTION

WAC 230-03-408 Applying for sports wagering prelicensing qualification. (1) Any individual or organization anticipating applying for a future license to provide equipment and/or services for sports wagering pursuant to a tribal-state compact may apply for a prelicensing qualification letter.

(2) To apply for prelicensing qualification letter, the applicant and each substantial interest holder will go through a prelicensing investigation to determine if the applicant and substantial interest holders are initially qualified.

(3) It is the responsibility of each applicant and persons who have a substantial interest therein to establish by clear and convincing evidence the necessary qualifications.

(4) A prelicensing investigation of the applicant includes, but is not limited to:

(a) Identification of all substantial interest holders of the applicant; and

(b) Conducting a criminal history background investigation on all substantial interest holders; and

(c) Verification that cash, goods or services for the startup of the operations or the continuation of the business is from a qualified source; and

(d) Compliance with all other applicable rules and laws.

(5) You are required to complete an online application, submit any required supplemental documentation, and submit a five thousand dollar deposit for us to begin the prelicensing investigation process.

(6) We may request additional information during our prelicensing investigation. All work will stop until we receive the requested information. You must provide us with the required items within thirty days of notification or we will administratively close your prelicensing qualification application.

(7) You must pay all costs associated with the prelicensing investigation.

(a) We will give you an estimate of the anticipated costs based on the information we have received at that time.

(b) You will be asked to pay the additional deposit to cover the anticipated costs, such as staff time to conduct the prelicensing investigation, travel time, and travel costs.

(c) We may amend our estimate during our prelicensing investigation process.

(d) You will have thirty days to submit any additional balance requested. We will not work on the application until we have received all funds requested. Failure to pay the balance within the required time frame will result in administrative closure of the application and all unused funds will be refunded.

(e) We will stop the prelicensing qualification process if the cost of our investigation exceeds the balance and request additional funds to cover the anticipated costs to continue our investigation. We will resume work upon receipt of the requested deposit to cover anticipated costs to complete the investigation.

(f) Any unused funds will be refunded.

(g) We will retain funds to cover all costs incurred if you withdraw your application or if your application is denied.

(8) Upon completion of a prelicensing investigation, a determination regarding an applicant's qualification will be made. Applicants who are qualified will receive a prelicensing qualification letter from us stating the determination is made based on the information and representations made by the applicant up to that date.

(9) Applicants are required to provide notice of any changes to the organization or substantial interest holders after a prelicensing qualification letter has been issued and will be required to pay for any additional investigation costs.

(10) A prelicensing qualification letter is not a sports wagering license. You must apply for a sports wagering license once a sports wagering tribal-state compact(s) and future licensing rules are effective.

(11) Prelicensing qualification letters will be valid for one year from the date of issuance. The term of this letter can be extended by the director or designee if the year term is about to expire and sports wagering licensing rules are not in effect.

(12) Applicants who are determined to be unqualified to receive a prelicensing qualification letter will be given the following options:

(a) Have thirty days to correct the issue that keeps them from being qualified; or

(b) Withdraw their application; or

(c) Receive an application denial.

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