

WSR 21-21-092

PROPOSED RULES

GAMBLING COMMISSION

[Filed October 19, 2021, 3:07 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 21-17-125.

Title of Rule and Other Identifying Information: New WAC 230-15-673 Paying out house jackpot prizes and 230-15-674 Keeping funds to pay house jackpot prizes; and amending WAC 230-15-050 Minimum cash on hand requirements.

Hearing Location(s): On December 7, 2021, at 9:00 a.m., at Washington State Gambling Commission, 4565 7th Avenue S.E., Lacey, WA 98503. The meeting time and location will be posted approximately one week prior to the meeting on our website at www.wsgc.wa.gov. Select "The Commission" and then select "Public Meetings" to confirm the hearing date, location, start time, and agenda items.

Date of Intended Adoption: December 7, 2021.

Submit Written Comments to: Ashlie Laydon, P.O. Box 42400, Olympia, WA 98504-2400, email rules.coordinator@wsgc.wa.gov, www.wsgc.wa.gov, by November 29, 2021.

Assistance for Persons with Disabilities: Contact Julie Anderson, phone 360-486-3453, TTY 360-486-3637, email julie.anderson@wsgc.wa.gov, www.wsgc.wa.gov, by November 29, 2021.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The proposed changes address card room licensees keeping funds in a separate, off-site bank account, rather than on premises, maintaining funds, and paying out prizes.

Reasons Supporting Proposal: The gambling commission received a petition requesting that operators running house-banked jackpots be allowed to keep required jackpot money in a separate, off-site account rather than on premises. This change would address operator and player safety concerns. Rules are also needed to address maintaining funds and paying out prizes.

Statutory Authority for Adoption: RCW 9.46.070.

Statute Being Implemented: RCW 9.46.070.

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

Name of Proponent: Ann Huysmans, Galaxy Gaming, Inc., private.

Name of Agency Personnel Responsible for Drafting: Adam Teal, LLM, 4565 7th Avenue S.E., Lacey, WA 98503, 360-486-3475; Implementation: Tina Griffin, Interim Director, 4565 7th Avenue S.E., Lacey, WA 98503, 360-486-3546; and Enforcement: Gary Drumheller, Assistant Director, 4565 7th Avenue S.E., Lacey, WA 98503, 509-325-7904.

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).

The proposed rule does not impose more-than-minor costs on businesses. Following is a summary of the agency's analysis showing how costs were calculated. The proposed changes were requested by Galaxy Gaming, Inc. to allow house-banked card room licensees the option to keep house-banked jackpots in a separate, off-site bank account rather than on premises to address operator and player safety concerns. Under the proposed rule changes, house-banked card room licensees may, but are not required to, keep house jackpots in a bank account rather than

on premises. The proposed rule changes are not likely to impose more-than-minor costs to house-banked card room licensees.

October 15, 2021
Ashlie Laydon
Rules Coordinator

OTS-3390.1

AMENDATORY SECTION (Amending WSR 09-03-024, filed 1/9/09, effective 2/9/09)

WAC 230-15-050 Minimum cash on hand requirements. (1) Card game licensees must have sufficient cash on hand to redeem all chips issued for play and pay out all prizes.

(2) Within three hours of opening for the business day, at a time included in the internal controls, house-banked card game licensees must have at least the following minimum amount of cash on premises in their cage, safe, and vault combined:

(a) One thousand dollars for each house-banked table on the gambling floor; plus

(b) The amount of the largest single prize available excluding progressive jackpot, player-supported jackpot, and house jackpot prizes (~~(when WAC rules require a deposit into a separate bank account (for example, player-supported jackpots and progressive jackpots))~~).

For example: If a house-banked card room has ~~((fifteen))~~ 15 house-banked tables and a largest single prize of ~~((twenty-three thousand dollars))~~ \$23,000, before opening, the cage must have at least ~~((thirty-eight thousand dollars))~~ \$38,000 on hand: 15 tables x \$1,000 = \$15,000 + largest single prize of \$23,000 = \$38,000.

(3) Except for the restrictions on player-supported jackpot pay outs in WAC 230-15-405 and progressive jackpot pay outs in WAC 230-15-690, licensees may pay prizes by check if sufficient funds are available on deposit.

(4) Failure to keep funds to cash in chips, pay prizes, or redeem gambling related checks is prima facie evidence of fraud. Meeting the minimum cage cash amount does not relieve the licensee from the requirement to have sufficient funds available to redeem all chips and pay out all prizes.

[Statutory Authority: RCW 9.46.070. WSR 09-03-024 (Order 640), § 230-15-050, filed 1/9/09, effective 2/9/09; WSR 07-23-081 (Order 620), § 230-15-050, filed 11/20/07, effective 1/1/08; WSR 07-09-033 (Order 608), § 230-15-050, filed 4/10/07, effective 1/1/08.]

NEW SECTION

WAC 230-15-673 Paying out house jackpot prizes. (1) House-banked card room licensees must immediately pay out verified prizes of \$5,000 or less.

(2) For verified prizes over \$5,000, licensees must immediately pay out a minimum of \$5,000 and pay the remaining balance within 24 hours by check. The player may request that the licensee pay up to the entire prize balance by check. Licensees must then issue a check for the entire prize balance within 24 hours.

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NEW SECTION

WAC 230-15-674 Keeping funds to pay house jackpot prizes.

House-banked card room licensees must maintain at least the amount of the single largest house jackpot prize offered in a bank, mutual savings bank, or credit union located in Washington. Licensees must maintain a monthly record showing the daily amount of each house jackpot prize offered.

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