

## WSR 21-21-093

## PROPOSED RULES

## GAMBLING COMMISSION

[Filed October 19, 2021, 3:21 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 20-15-154 and 20-01-117.

Title of Rule and Other Identifying Information: WAC 230-03-210 Applying for a gambling service supplier license.

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](http://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](mailto:rules.coordinator@wsgc.wa.gov), [www.wsgc.wa.gov](http://www.wsgc.wa.gov), by November 29, 2021.

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

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The gambling commission is considering amending its rules to include performing the testing and certification of sports wagering systems and gambling equipment as required by Title 230 WAC as a service requiring a gambling service supplier license.

Reasons Supporting Proposal: The gambling commission recently adopted rules to address licensing and regulation, and licensing fees consistent with the Gambling Act and recently negotiated Tribal-state sports wagering compact amendments. As part of these compact amendments, sports wagering systems need to be tested and certified by an independent testing lab to ensure they meet or exceed GLI-33 standards and provisions outlined in compact and appendices. Independent testing labs must be licensed by both the tribe(s) and the Gambling commission. Independent testing labs are currently licensed by the gambling commission through a gambling service supplier license to provide testing and certification of tribal lottery systems, however, this rule must be amended to also include sports wagering systems as a service requiring licensure.

The gambling commission took final action on rules requiring an independent testing lab, licensed by the gambling commission, to perform testing and certification of electronic raffle systems to ensure the system meets or exceeds GLI-31 and complies with Washington gambling laws and rules before the electronic raffle system will be authorized to be brought into this state. Therefore, the gambling service supplier rule needs to be amended to include performing the testing and certification of gambling equipment as required by rule as a service requiring licensure.

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: Washington state gambling commission, governmental.

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).

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 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.

October 15, 2021  
Ashlie Laydon  
Rules Coordinator

**OTS-3394.1**

AMENDATORY SECTION (Amending WSR 19-15-060, filed 7/15/19, effective 8/15/19)

**WAC 230-03-210 Applying for a gambling service supplier license.**

(1) You must apply for a gambling service supplier license if you perform any of the following gambling-related services for compensation:

- (a) Consulting or advisory services regarding gambling activities; or
- (b) Gambling management services; or
- (c) Financing for more than one licensee for purchases or leases of gambling equipment or financing for providing infrastructure or facilities, or equipment that supports gambling operations:
  - (i) Once you have financed more than one licensee, you must be a licensed gambling service supplier until all loans with licensees or previous licensees are paid; or
  - (ii) Once you have been a licensed gambling service supplier, you must be licensed as a gambling service supplier again before financing purchases or leases for any licensee; or
- (d) Acting as a lending agent, or loan servicer, or placement agent; or
- (e) Providing the assembly of components for gambling equipment under a contract with a licensed manufacturer or entering into an ongoing financial arrangement for gambling related software with a licensed manufacturer; or
- (f) Installing, integrating, maintaining, or servicing digital surveillance systems that allow direct access to the operating system; or
- (g) Training individuals to conduct authorized gambling activities; or
- (h) Providing any other service or activity where influence may be exerted over any gambling activity licensed by the commission; or

(i) Performing the testing and certification of tribal lottery systems and sports wagering systems in meeting requirements specified in ~~((the))~~ tribal-state compact; or

(j) Performing the testing and certification of gambling equipment as required by Title 230 WAC; or

(k) Providing nonmanagement-related recordkeeping or storage services for punch board and pull-tab operators, when the combined total gross billings from such services exceed ~~((thirty thousand dollars))~~ \$30,000 during any permit period or license year.

(2) You do not need a gambling service supplier license if you are:

(a) A bank, mutual savings bank, or credit union regulated by the department of financial institutions or any federally regulated commercial lending institution; or

(b) A university or college regulated by the Washington state board of community and technical colleges and the higher education coordinating board that trains individuals to conduct authorized gambling activities; or

(c) An attorney, accountant, or governmental affairs consultant whose primary business is providing professional services that are unrelated to the management or operation of gambling activities; or

(d) A person who only provides nonmanagement-related recordkeeping or storage services for punch board and pull-tab operators, when the combined total gross billings from such services do not exceed ~~((thirty thousand dollars))~~ \$30,000 during any permit period; or

(e) A person who provides names, images, artwork or associated copyrights, or trademarks, or patent use, or other features that do not affect the results or outcome of the game, for use in gambling equipment; or

(f) Regulated lending institutions; or

(g) A licensed distributor who provides any of the following services for compensation:

(i) Training to licensed and potential punch board/pull-tab operators; or

(ii) Providing assistance to gambling license applicants or licensees seeking gambling license renewal.

[Statutory Authority: RCW 9.46.070. WSR 19-15-060, § 230-03-210, filed 7/15/19, effective 8/15/19; WSR 10-19-052 (Order 673), § 230-03-210, filed 9/14/10, effective 1/1/11; WSR 07-21-116 (Order 617), § 230-03-210, filed 10/22/07, effective 1/1/08; WSR 06-24-030 (Order 605), § 230-03-210, filed 11/29/06, effective 1/1/08; WSR 06-07-157 (Order 457), § 230-03-210, filed 3/22/06, effective 1/1/08.]