

SENATE BILL REPORT

2SHB 2228

AS REPORTED BY COMMITTEE ON LABOR & COMMERCE, FEBRUARY 25, 1994

Brief Description: Clarifying the state's public policy on gambling.

SPONSORS: House Committee on Revenue (originally sponsored by Representatives Heavey, Lisk, Springer, Schmidt, Van Luven and Roland)

HOUSE COMMITTEE ON COMMERCE & LABOR

HOUSE COMMITTEE ON REVENUE

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: Do pass as amended.

Signed by Senators Moore, Chairman; Prentice, Vice Chairman; Amondson, Deccio, Fraser, McAuliffe, Newhouse, Pelz, Prince, Sellar, Sutherland and Vognild.

Staff: Traci Ratzliff (786-7452)

Hearing Dates: February 23, 1994; February 25, 1994

BACKGROUND:

In 1993, the Legislature adopted EHCR 4403, creating the State Gambling Policy Task Force. The purpose of the task force was to examine: (1) The current nature and scope of authorized gambling in the state; (2) the future of gambling in the state; (3) the need for defining a clear public policy on gambling; and (4) the feasibility of merging the Gambling Commission, Lottery Commission, and Horse Racing Commission into one state agency. The task force submitted its final report to the Legislature on January 1, 1994. The final report included a number of recommendations:

1. The Legislature should codify the statement of Washington's public policy toward gambling developed by the Gambling Commission.
2. The Legislature should amend the gambling code to aid the Gambling Commission in enforcing the public policy of the state and in fighting illegal gambling. These changes should include: (1) clarifying the unconditional ban on slot machines and video gaming devices in Washington; (2) strengthening the Gambling Commission's authority to seize illegal gambling-related assets; and (3) streamlining the reporting requirements for commercial stimulant operators, to the extent that this can be accomplished consistent with the public policy of the state toward gambling.

3. The Legislature should amend the state lottery statute to require prior legislative approval of any on-line game operated more frequently than once every 24 hours.
4. The Legislature should not authorize any person or state agency to operate video poker, any other video gambling device, or slot machines.
5. Services for problem and compulsive gamblers should continue to be offered. The Gambling Commission, the Lottery Commission, and the Horse Racing Commission should continue to provide resources for the support of these services. The Gambling Commission, Horse Racing Commission and Lottery Commission should jointly develop informational signs concerning problem gambling which include the toll free hot line number to be placed in the establishments of gambling licensees and lottery retailers.

SUMMARY:

The following statement of Washington's public policy toward gambling is codified: "The public policy of the state of Washington on gambling is to keep the criminal element out of gambling and to promote the social welfare of the people by limiting the nature and scope of gambling activities and by strict regulation and control."

Prior legislative approval is required before the Lottery may conduct any on-line game more frequently than once every twenty-four hours. "On-line game" is defined as a game in which the player pays a fee to a lottery retailer and selects a combination of numbers or symbols and the lottery separately selects the winning combination or binations.

The Legislature recognizes that some people in Washington are problem or compulsive gamblers and that the state has the responsibility to continue to provide resources for the support of services for problem and compulsive gamblers. The Gambling Commission, Horse Racing Commission, and Lottery Commission are required to jointly develop informational signs about problem and compulsive gambling to be placed in gambling establishments.

Procedures for the seizure and forfeiture of gambling-related assets are updated. The changes are patterned after recent changes in the drug forfeiture statute. The changes provide greater protection for property owners who are unaware of the illegal activities being conducted on their property. The net proceeds of gambling-related property seizures go exclusively to the Gambling Commission to defray enforcement costs. Gambling devices on cruise ships are exempt from the penalty and seizure provisions if the devices are not operated for gambling purposes within the state.

Slot machines, video pull-tabs, video poker, and electronic games of chance are specifically added to the definition of "gambling device."

References to "calendar month" in the provisions defining first and second degree professional gambling are amended to read "thirty-day period."

The director of the Gambling Commission may appoint any number of assistant directors, rather than two assistant directors.

SUMMARY OF PROPOSED COMMITTEE AMENDMENT:

The Gambling Commission is allowed to appoint no more than three assistant directors.

Appropriation: none

Revenue: none

Fiscal Note: requested February 9, 1994

Effective Date: The bill contains an emergency clause and takes effect immediately.

TESTIMONY FOR:

This bill clarifies and strengthens this state's policy concerning gambling.

TESTIMONY AGAINST: None

TESTIFIED: Representative Heavey, prime sponsor; Frank Miller, Gambling Commission; Roger Wilson, Lottery Commission