

HOUSE BILL REPORT

HB 1318

As Reported By House Committee On:
Commerce & Labor

Title: An act relating to amusement games.

Brief Description: Prescribing amusement game agreements.

Sponsors: Representatives Honeyford, Sheldon, Crouse and McMorris.

Brief History:

Committee Activity:

Commerce & Labor: 2/5/97, 2/26/97 [DP].

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 7 members: Representatives McMorris, Chairman; Honeyford, Vice Chairman; Conway, Ranking Minority Member; Wood, Assistant Ranking Minority Member; Boldt; Clements and Hatfield.

Minority Report: Without recommendation. Signed by 2 members: Representatives Cole and Lisk.

Staff: Pam Madson (786-7166).

Background: Since gambling activity was authorized in 1973, the Gambling Commission has prohibited exclusive agreements to buy or sell equipment or services connected with gambling activity. Exclusive agreements might involve limiting a licensee to one supplier for the purchase of equipment or preclude a licensee from purchasing from any other source.

Summary of Bill: For amusement games only, agreements that require a person to purchase the games and the materials, services, and equipment connected with the games, exclusively from one supplier are no longer prohibited if these agreements are limited in duration. These may extend for a period of up to three years and may be renewed automatically for additional periods of three years if neither party of an agreement seeks to terminate it.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Machines that are used in the amusement game industry can cost upwards of \$4,000 to \$5,000. This industry asks the Legislature to make the policy decision that machine owners be able to enter into short-term agreements with businesses to allow their machines to operate at particular locations. Game operators buy equipment from a distributor and then negotiate with the owner of a potential location, like a bowling alley or a grocery store, to place the machine there. The game operator and the location owner share the proceeds from the operation of the game. The exclusive agreement is between the game operator and the location owner. The Gambling Commission is looking at this issue as a possible rule change.

Testimony Against: None.

Testified: (Pro) John Woodring, Washington Licensed Beverage Association; Dave Walker, Washington Amusement Games Association; and Carrie Tellefson, Washington State Gambling Commission.