

# SENATE BILL REPORT

## SCR 8425

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As Reported By Senate Committee On:  
Commerce & Labor, January 28, 1998

**Brief Description:** Creating a gambling policy task force.

**Sponsors:** Senators Schow, Prentice, Heavey, Horn, Haugen, Long, Spanel, Rossi, Brown, Snyder, Patterson, Wojahn, Hochstatter, Zarelli, Roach, Oke and Winsley.

**Brief History:**

**Committee Activity:** Commerce & Labor: 1/27/98, 1/28/98 [DPS].

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### SENATE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** That Substitute Senate Bill No. 8425 be substituted therefor, and the substitute bill do pass.

Signed by Senators Schow, Chair; Horn, Vice Chair; Anderson, Franklin, Fraser and Heavey.

**Staff:** Traci Ratzliff (786-7452)

**Background:** Legalized forms of gambling have proliferated over the last 20 years in this state. In the early 1970's, approximately \$78 million was wagered on parimutuel betting on horse racing, the only legalized form of gambling at that time. By 1990, this state had hit the \$1 billion mark in total dollars wagered on legalized forms of gambling which had expanded to include: bingo; commercial card rooms; fund raising events; horse racing; state lottery; punchboards and pulltabs; and tribal casinos. In addition, neighboring states and provinces have also legalized an array of gambling activities in recent years. After experiencing significant increases through the mid-1990's, the growth in dollars wagered in this state appears to be slowing. Various participants in the gambling industry continue to request from the Legislature authority to expand, in some manner, the operation of their gambling activities. Concerns have been raised regarding the social and economic implications of continuing to authorize expanded forms of gambling. As a result, questions have been raised regarding what the state's policy or policies should be in the future regarding legalized gambling.

**Summary of Substitute Bill:** A gambling policy task force is established. The task force consists of 11 voting members, including: the Governor or his designee; five legislators from the House; and five legislators from the Senate. In addition, the task force consists of 11 nonvoting members, including: representatives of the Gambling Commission, Lottery Commission and Horse Racing Commission; one member of a recognized tribe operating legalized class III gaming in an urban area, and one member of a recognized tribe operating legalized class III gaming in a rural area; a representative of the commercial gaming industry; a representative of the charitable gaming industry; a representative of a horse racing association licensed by the state; and three members of the public.

The task force is to examine: The current nature and scope of legalized gambling in the state and how this has changed over time; the current tax structure of gambling activities in this state; the nature of compulsive or problem gambling and current efforts to address this problem in this state; the current nature and scope of legalized gaming in neighboring states and provinces and the competitive impact on this state's gambling market; current trends emerging across the U.S. and Canada in the various segments of the gambling market and the potential impact on this state's gambling market; recent state and federal court decisions and the impact of these decisions on the policies in this state; and the establishment of potential statewide policies on gambling.

The task force is authorized to employ a consultant to gather the data necessary to understand the gambling market in this state. The task force may also consult with individuals who have expertise in the gambling industry.

The task force uses legislative staff and facilities. All expenses of the task force are paid jointly by the Senate and House of Representatives.

The task force must report its findings and recommendations to the Legislature by January 1, 1999. The task force expires January 1, 1999.

**Substitute Bill Compared to Original Bill:** An additional member is added to the nonvoting members of the task force to represent horse racing associations licensed by the state.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Testimony For:** A comprehensive review of gambling and gambling policy in this state is needed in light of the recent and rapid legalization of gambling activities in this state.

**Testimony Against:** None.

**Testified:** PRO: Senator Prentice, prime sponsor; Marty Brown, Governor's office; Bruce Batson, Horse Racing Commission; Frank Wright, Jr. Puyallup Tribe; Delores Chiechi Whitmore and Ron Krause, Licensed Beverage Association and Recreational Gaming Association; Manny Fierro, Spokane Tribe; Steve Wehrly, Muckleshoot Tribe; Randy Scott, Quinault Indian Nation; NEUTRAL: Dianne Nelson, Colville Tribe; Dawn Vyvian, Yakama Nation, Jamestown S'Klallam, Port Gamble S'Klallam, and Swinomish Indian Tribe.