

HOUSE BILL REPORT

EHB 2946

As Passed House:

February 14, 2000

Title: An act relating to local planning and zoning of gambling activities.

Brief Description: Allowing local planning and zoning of gambling activities.

Sponsors: Representatives Conway, Clements, Wood, Regala and Hurst.

Brief History:

Committee Activity:

Commerce & Labor: 2/2/00, 2/3/00 [DP].

Floor Activity:

Passed House: 2/14/00, 95-0.

Brief Summary of Engrossed Bill

- Recognizes that cities, towns and counties may exercise land use and zoning powers with respect to the location of gambling activity licensed by the Gambling Commission.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 6 members: Representatives Clements, Republican Co-Chair; Conway, Democratic Co-Chair; Wood, Democratic Vice Chair; Hurst; McIntire and McMorris.

Minority Report: Do not pass. Signed by 2 members: Representatives B. Chandler, Republican Vice Chair and Lisk.

Staff: Pam Madson (786-7166).

Background:

Changes in the gambling laws regarding the operation of card rooms have resulted in the emergence of enhanced card rooms or "minicasinos." These establishments operate house-banked card games requiring a high level of security and a much larger

investment for card room owners. They offer up to 15 tables with a maximum limit on wagers of \$100. The number of card rooms approved to operate at this enhanced level has grown to 52. A number of card rooms continue to operate with fewer tables, no house-banked games and lower wagering limits. There is currently no license distinction between card rooms conducting differing levels of activity.

Card room licenses are issued to persons operating businesses primarily engaged in selling food and drink items for consumption on the premises of the business as a commercial stimulant to that business.

In response to the appearance of these enhanced card rooms or "mini casinos," some local jurisdictions have adopted bans on the operation of enhanced card rooms or have banned future applicants but allow those currently approved to continue to operate.

Local Government Involvement in Gambling Regulation under the Gambling Laws. The Gambling Commission is the exclusive authority for licensing and regulating gambling activities. Cities and counties may pass ordinances only if they are consistent with state gambling laws and commission rules. A city or county may prohibit gambling activity within its jurisdiction but may not change the scope of activity allowed under a state license.

Cities and counties are authorized to tax card room activity.

Local Government Planning and Zoning Authority. A local government implements its comprehensive plan through adoption of zoning ordinances. Zoning is the means by which local governments control the use of land and place certain restrictions on the structures and improvements located on property within a zone.

Local governments may take action under zoning authority that conflicts with the issuance of a gambling license by the state Gambling Commission to an individual applicant for operation of gambling activity.

Summary of Bill:

The land use and zoning powers of cities, towns and counties may be exercised with respect to the location of gambling activity licensed by the Gambling Commission.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Confusion exists over the authority of the cities and counties to zone with respect to gambling activity licensed by the state Gambling Commission. The intent of the bill is not to expand any authority, only to clarify. Cities are concerned with other legislation that specifically mentions card rooms. Because it specifically says card rooms, it may be interpreted to mean that cities do not have zoning authority over other types of gambling activity. Interested parties in this issue recognize the state's interest in licensing and regulating gambling activity but some do not believe it preempts local zoning authority. Some interests believe that if the Legislature intended to preempt zoning authority, it would have specifically said so. Premises on which gambling activities are conducted clearly fall under local land use authority. The activities on those premises may vary. Gambling activity regulation is reserved to the state. The question is how to get this interface to work more smoothly. One option offered was to state in law that the language in this bill doesn't diminish any other authority. A concern with this bill is that gambling activity will become synonymous with land use. Card games or punch boards and pull tabs should not be considered land uses. The parties will continue to work on a resolution.

Testimony Against: None.

Testified: (In favor) Randy Lewis, City of Tacoma; Ron Rosenbloom, Association of Washington Cities.

(With concerns) Vito Chiechi and Bob Tull, Recreational Gaming Association; and T.K. Bentler and Rick Newgard, Washington Charitable and Civic Gaming Association.

(Respond to questions) Ed Fleisher, Gambling Commission.