

HOUSE BILL ANALYSIS

HB 1781

Brief Description: Establishing wagering limits in social card games in cities and towns.

Sponsors: Representatives Gombosky and Schindler

Hearing: February 22, 1999

Brief Summary of Bill

- Allows cities to set wagering limits for social card games in an amount less than those set by the Gambling Commission.

BACKGROUND:

The Gambling Commission is directed to set wagering limits for authorized card games under the gambling laws. The Commission also determines which card games are considered authorized gambling activity.

Gambling Commission Wagering Limits

Wagering limits for all card games played in a licensed card room are set depending on the type of card game and the number of betting rounds. Games with a single betting round are limited to \$10 per wager. Games with multiple betting rounds have set limits for each betting round. In some cases, a limit is set on the total amount wagered for all rounds allowing the card room licensee to set the amount per round within the limit.

Card Room Pilot Program

Beginning in 1996, a series of changes were made by the Legislature and the Gambling Commission in the operation of licensed card rooms. The number of tables a card room may operate increases from five to fifteen. Card room operators may use different methods to obtain money from card players. They may collect a per hand fee from each player or take a percentage or set amount of the total amount wagered in a game. A third option is to charge players by the hour. Player supported jackpots are authorized allowing players to

contribute a separate amount per hand toward a jackpot that can continue to grow until a particular event occurs. The Gambling Commission began a pilot program to gather information about the impact of these new approaches and to determine what regulations need to be in place to adequately regulate the activity.

In 1997, house-bank or player-funded banking games were authorized through legislation and the commission's pilot test was expanded to include this new method of operation.

Information being gathered during this test period is the basis for permanent rules that are currently before the Gambling Commission. The rules are scheduled for adoption and implementation by July 1, 1999.

To participate in the pilot study, the applicant must enter into a contract with the commission that covers the operation and management of the card room. Wagering limits are set by the commission and are contained in the contract. The maximum wagers range from \$10 to \$25 for those licensees participating in the expanded card room project without house-banking. For those participating in house-banking, the wagering limits depend on the number of tables and the length of time in the pilot project. For those operating less than five tables, the maximum allowable wagers range from \$3 to \$5. For those operating more than five tables, the maximum wagers range from \$25 to \$100. All approved participants are operating more than five tables. Thirty-five card rooms have been approved and of the 35, 10 have been approved to operate at \$100 maximum wagers. The Gambling Commission expects another 35 card rooms will seek authority to operate house-banked games by January 1, 2000, bringing the total to 70.

Local Government Involvement in Gambling Regulation

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. Cities and counties may prohibit gambling activity within its jurisdiction but may not change the scope of activity allowed under a state license.

SUMMARY OF BILL:

Cities may set wagering limits for social card games in an amount less than those set by the Gambling Commission.

RULES AUTHORITY: The bill does not contain provisions addressing the rule making powers of an agency.

FISCAL NOTE: Not requested.

EFFECTIVE DATE: Ninety days after adjournment of a session in which bill is passed.