Washington State House of Representatives Office of Program Research	BILL ANALYSIS

Commerce & Labor Committee

SSCR 8417

Brief Description: Establishing a committee on gambling policy setting.

Sponsors: Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Kohl-Welles, Prentice, Parlette, Kline and Rasmussen).

Brief Summary of Substitute Bill

- Establishes a sixteen-member Joint Select Committee on the Future of Gambling Policy Setting to examine the current and potential future of legalized gambling in Washington, other states, and Canada.

Hearing Date: 2/22/06

Staff: Chris Cordes (786-7103).

Background:

The Legislative Task Force on Washington State Gambling Policy was created in 1993 to examine the current nature and scope, and the future, of authorized gambling in Washington and the need for defining a clear public policy on gambling. In its report, the Task Force noted that the *gross* receipts from gambling activity in 1992 totaled approximately $1.3 billion. According to the Washington State Gambling Commission, *net* receipts have grown from $ 476 million in 1996 to $1.7 billion in 2005.

The 1993 Gambling Task Force reviewed gambling in the state and around the country, including tribal gaming, reviewed issues related to problem gambling, and made various recommendations, generally finding that the state should "at this time...remain on its present course regarding gambling policy."

Summary of Bill:

The Joint Select Committee on the Future of Gambling Policy Setting is established, with eight voting and eight non-voting members, as follows:

- The eight voting members include the chairs of the Senate Labor, Commerce, Research & Development Committee and the House Commerce & Labor Committee, and three other legislators from each house, appointed by the President of the Senate or the Speaker of the House, as applicable, who are members of one of these two standing committees (one member from the majority caucus and two members from the minority caucus).

- Three non-voting members are appointed jointly by the President of the Senate and the Speaker of the House to represent, respectively, a city that bans enhanced cardrooms, a city that authorizes enhanced cardrooms, and the county prosecuting attorney's office.

- The non-voting members include the Governor or Governor's designee. The Governor also appoints a non-voting representative from each of the following agencies: the Washington State Gambling Commission, the Washington Horse Racing Commission, the Washington State Lottery Commission, and the Department of Social and Health Services (a person with experience in problem gambling treatment programs).

In conducting its work, the Joint Select Committee must, as practicable, encourage participation from throughout Washington by representatives of tribes, the commercial cardroom industry, lottery vendors, the charitable gaming industry, problem gambling treatment providers, and the public.

The Joint Select Committee must examine:

- the current and potential future of the nature and scope of legalized gambling in the state;
- the current and possible future tax structures relating to gambling;
- the nature of problem gambling and efforts to address this social problem;
- the current and potential future of the nature and scope of legalized gambling in neighboring state and Canada, and the potential competitive impact;
- current gambling trends emerging in the U.S. and Canada, and the potential impact on this state's gambling market;
- recent state and federal court decisions and their impact on gambling policy; and
- the manner in which policies on gambling have been established in Washington and other states, with a focus on strengths and weaknesses of each.

The Joint Select Committee may submit a preliminary report to the Legislature no later than the end of the 2007 Legislative Session and must submit a final report to the Legislature and the Governor by January 1, 2008.

The Joint Select Committee disbands on January 1, 2008.

Appropriation: None.

Fiscal Note: Not requested.