

SENATE BILL REPORT

SB 6057

As Reported By Senate Committee On:
Labor, Commerce, Research & Development, March 1, 2005

Title: An act relating to gambling commission reporting on social card room financial activity.

Brief Description: Mandating social card room reporting.

Sponsors: Senator Fairley.

Brief History:

Committee Activity: Labor, Commerce, Research & Development: 3/1/05 [DPS, w/oRec].

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 6057 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kohl-Welles, Chair; Franklin, Vice Chair; Brown, Keiser and Prentice.

Minority Report: That it be referred without recommendation.

Signed by Senator Parlette, Ranking Minority Member.

Staff: John Dziedzic (786-7784)

Background: The Washington State Gambling Commission (WSGC) requires applicants and licensees to provide certain information. The commission determines by rule the types of information to be required from licensees, and the contents of periodic reports.

The WSCG recently began requiring businesses licensed as social card rooms to submit audited financial statements combining data on both gambling and non-gambling (food and beverage) activities engaged in by the business, and changed the form and contents of reports required from such licensees and the reports published by the WSCG. Current WSGC-published reports on the activities of social card rooms now include: business name; county; license number; gross receipts earned in the card room; and amount of local tax paid on social card room receipts.

Previously, the quarterly reports published by the WSGC also contained data relating to: special prizes paid; net receipts earned by the card room; wages paid for the card room portion of the business; other gambling expenses paid; net gambling income; and net gambling income as a percent of the gross receipts.

Summary of Substitute Bill: The WSGC is required to collect and include in the quarterly reports it publishes regarding social card room activities all of the categories of information that were previously reported, and to identify in the report the city, as well as county in which the licensee is located.

Substitute Bill Compared to Original Bill: Language is added to clarify that the specified information is required only from gambling entities that engage in targeted activities.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Testimony For: Being able to analyze detailed information on a quarterly basis is essential to the performance of the Gambling Commission's regulatory role. Reports need to provide financial information in a way that avoids creating confusion between gaming and non-gaming activities, and that can result in a distorted impression of the overall financial viability of the enterprise.

Testimony Against: None.

Other: Concerns were expressed that the decision to change the way information was collected may be an indication of staffing and other internal issues.

Who Testified: PRO: Senator Fairley, prime sponsor; Monty Harmon, Harmon Consulting, Inc.; Steve Griffiths, Steve Lindstrom, Recreational Gaming Association. OTHER: Rick Day, WA State Gambling Commission.