

# SENATE BILL REPORT

## SB 6615

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As Reported By Senate Committee On:  
Labor, Commerce, Research & Development, February 1, 2006

**Title:** An act relating to limiting the number and location of house-banked social card games.

**Brief Description:** Limiting social card games.

**Sponsors:** Senators Prentice and Rasmussen.

**Brief History:**

**Committee Activity:** Labor, Commerce, Research & Development: 1/26/06, 2/1/06 [DPS, DNP].

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### SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

**Majority Report:** That Substitute Senate Bill No. 6615 be substituted therefor, and the substitute bill do pass.

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

**Minority Report:** Do not pass.

Signed by Senators Parlette, Ranking Minority Member; Hewitt and Honeyford.

**Staff:** John Dziedzic (786-7784)

**Background:** The Gambling Act grants exclusive authority to the Washington State Gambling Commission (WSGC) with respect to the licensing and regulation of gambling activities, which include house-banked card games or mini-casinos; player-banked card games; and punch boards, pull tabs, and bingo. A license issued by the WSGC authorizes the licensee to engage in the licensed gambling activity throughout a city or county across the state, except in a city or county that has prohibited the gambling activity for which the license is issued.

The City of Edmonds adopted a two-part ordinance in 2000: The first part banned card room gambling facilities; the second part included provisions prohibiting existing card rooms from increasing the number tables at which cards were played and required the card rooms to close after five years. In June 2003, the State Court of Appeals upheld the first part of the ordinance, but invalidated the second part. The court ruled that the second part amounted to a regulation of gambling activity and was therefore pre-empted by the Gambling Act. In December 2004, the same State Court of Appeals upheld a July 1999 Pierce County ordinance prohibiting all house-banked card games after August 2002.

The WSGC currently identifies more than a dozen jurisdictions having zoning ordinances, partial bans, or moratoria that may be affected by these court decisions.

**Summary of Substitute Bill:** The WSGC is prohibited from issuing or renewing a license for house-banked card games except in a location specified in an existing license or pending license application as of January 31, 2006. An existing or pending license may be renewed so long as the city or county in which the licensee operates does not have in effect an ordinance absolutely prohibiting such gambling activity throughout the jurisdiction as of the effective date of or other date specified in the ordinance.

**Substitute Bill Compared to Original Bill:** A provision in the original bill, allowing local jurisdictions to rescind a ban on house-banked card room, is not included in the substitute bill. The January 31, 2006 date is changed from December 31, 2005.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** Because the courts have consistently ruled that cities may only allow or absolutely ban certain types of gambling activities, it is only a matter of time before the cities with gambling moratoriums and other in-between ordinances are challenged. This bill lets cities keep the limited number of minicasinos currently operating, without the risk of being required to accept more. Or, a city that no longer wants to have such establishments can ban them completely. This bill resolves a difficult conflict between local zoning authority and state law, and maintains the policy that was instituted to prevent the recurrence of illegal tolerance policies and corruption associated with gambling siting issues before the Gambling Act was adopted.

**Testimony Against:** None.

**Testimony Other:** Without an amendment allowing existing minicasinos to relocate, they will become hostage to landlords that want to raise rents, and cities that want to increase taxes. The due date to submit an application to conduct house-banked card games should be extended one month to accommodate an applicant that had filed an application on the day the bill was heard.

The Gambling Commission is neutral on this bill, but notes that the bill adds value to a gambling license and that the number of licenses issued to conduct house-banked card games has leveled off in the last two years.

**Who Testified:** PRO: Senator Prentice, Prime Sponsor; Norm Maleng, King County Prosecutor; Jim Justin, Assoc. of WA Cities.

OTHER: Amy Hunter, Gambling Commission; Steve Lindstrom, Michels Development; Dave Ducharme, Steve Griffiths, Recreational Gaming Association; Mike Kummerfeldt, Lance Kohler, Trip Aces, Inc.