

HOUSE BILL REPORT

HB 2162

As Reported by House Committee On:
Commerce & Labor

Title: An act relating to permitting local governments to limit house- banked social card games within their jurisdictions.

Brief Description: Regulating house-banked social card games.

Sponsors: Representatives Conway, Condotta, Green, Chase, Wood, Goodman and Schmick.

Brief History:

Committee Activity:

Commerce & Labor: 2/17/09, 2/20/09 [DPS].

Brief Summary of Substitute Bill

- Permits local jurisdictions to limit the number of house-banked social card games to those locations licensed as of the effective date of the act.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Conway, Chair; Wood, Vice Chair; Condotta, Ranking Minority Member; Chandler, Crouse, Green, Moeller and Williams.

Staff: Joan Elgee (786-7106)

Background:

The Washington State Gambling Act (Act) grants the Gambling Commission (Commission) exclusive authority to license and regulate gambling activities. The Commission may issue licenses to conduct social card games, including house-banked card games, as a commercial stimulant. The Commission may not deny a license to an otherwise qualified applicant in an effort to limit the number of licenses.

A local jurisdiction's authority over gambling activity is limited to absolutely prohibiting a gambling activity and imposing restrictions such as parking requirements that apply to other

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

commercial activities. In 2003 the State Court of Appeals (Court) invalidated a city ordinance that banned certain new gambling facilities but allowed existing ones to continue to operate for five years. The Court ruled that the "phasing-out" provision amounted to a regulation of gambling activity and was preempted by the Act.

The Commission identifies about 20 jurisdictions that have zoning ordinances, partial bans, or moratoria relating to card games. About 80 card rooms currently operate in the state.

Summary of Substitute Bill:

Legislative intent is stated that local jurisdictions have authority to ban house-banked social card games (card games), allow card games, or limit the number of existing card games.

A local jurisdiction may continue to absolutely prohibit card games. A local jurisdiction may also limit the number of card game licenses to those locations licensed on the effective date of the Act. If a prohibition or limitation is repealed, the prohibition or limitation may not be reinstated for at least five years.

If a city or town with a prohibition or limitation annexes an area in a jurisdiction that permits card games, the city or town may not impose its prohibition or limitation upon licensed and operating card games in the annexed area for at least three years after annexation.

A local jurisdiction that adopts a prohibition or limitation on card games must file a copy of the legislative act with the Commission. The Commission must adopt rules allowing electronic filing.

When a card game licensee applies or reapplies for a license, the licensee must inform and verify to Commission staff that it is permitted to conduct card games in its chosen location. A verification may consist of a letter certifying that the licensee may operate at the chosen location.

The Commission, its members, and staff are absolutely immune from any legal action relating to a decision of the Commission to issue, renew, or not issue a card game license, or that is based on the Commission's interpretation of the provisions or any local legislative act. No court, board, or other tribunal has jurisdiction to join the Commission as a party to any such legal action.

Substitute Bill Compared to Original Bill:

The limit on reinstating a prohibition after a repeal is changed to five years. Language is added to the intent section to clarify a local jurisdiction's authority to limit card games is to limit the number of *existing* card games. The authority to limit card games is clarified to refer a limitation on licenses and to locations licensed. The Commission is authorized to adopt rules regarding verification. The immunity provision is clarified.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This issue has been worked on for over a decade and the bill is the result of a workgroup's efforts. The bill gives local jurisdictions needed local control to be able to limit the number of card rooms. Citizens in Lakewood do not favor banning but they also do not want uncontrolled expansion. The annexation provision would grandfather existing card rooms in annexed areas and help with annexations. Otherwise, a jurisdiction doing an annexation has to force a card room to close or allow card rooms all over the city. The legislation is needed now.

About 20 jurisdictions have bans or moratoria which are subject to court action. The bill provides needed certainty.

(In support with concerns) The Commission recognizes that cities and casinos have a problem. The zoning provisions and cap that were concerns in earlier bills are not part of this bill. Some technical changes are needed.

(Opposed) Zoning is an illusion of control and does not prevent gambling expansion. The I-5 corridor could become a gambling ghetto. The bill is a back door entrance to social, economic, and cultural predators.

Persons Testifying: (In support) Joan McBride, City of Kirkland; Mayor Doug Richardson, City of Lakewood; Jason Whalen; Ted Wier; Linda Smith, Lakewood Chamber of Commerce; and Jim Justin, Association of Washington Cities.

(In support with concerns) Amy Hunter, Washington State Gambling Commission.

(Opposed) David Anderson, Save Lakewood.

Persons Signed In To Testify But Not Testifying: None.