

# FINAL BILL REPORT

## SHB 1402

---

C 134 L 11  
Synopsis as Enacted

**Brief Description:** Concerning certain social card games in an area annexed by a city or town.

**Sponsors:** House Committee on State Government & Tribal Affairs (originally sponsored by Representatives Upthegrove and Orwall).

**House Committee on State Government & Tribal Affairs**  
**Senate Committee on Labor, Commerce & Consumer Protection**

### **Background:**

The Gambling Act authorizes a business to conduct social card games, including house-banked games, when licensed by the Gambling Commission (Commission). A gambling license is legal authority to engage in that gambling activity. A city, town, or county may "absolutely prohibit" gambling, but may not change the scope of a license.

In 2009 legislation was enacted authorizing certain cities that ban house-banked card games and annex an area that allows house-banked card games to "grandfather" an existing card game business in the annexed area and allow it to continue operating. This grandfathering authority is limited in several respects: (1) only cities within King, Snohomish, and Pierce Counties may grandfather; (2) the annexed area must have a population of at least 10,000 people (except for areas annexed by Bellevue); (3) the continuation of the card game business must reduce a tax authorized as a credit against the sales and use tax; and (4) the business to be grandfathered must have been licensed by the Commission as of July 26, 2009. In addition, the grandfathering authorization applies only to house-banked card game businesses.

In November 2009 voters in the Panther Lake area approved the annexation of the area to the city of Kent, effective July 1, 2010. In April 2010 Kent adopted an ordinance allowing house-banked card rooms in the annexed area to continue operating.

### **Summary:**

A jurisdiction with a ban on house-banked card rooms that annexed an area and allowed a house-banked card room in the annexed area to continue operating before July 15, 2010,

---

*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.*

must allow all card rooms (i.e., non house-banked) card rooms licensed and operating as of January 1, 2011, to continue operating.

**Votes on Final Passage:**

|        |    |   |
|--------|----|---|
| House  | 94 | 1 |
| Senate | 46 | 2 |

**Effective:** July 22, 2011