

# HOUSE BILL REPORT

## SHB 1402

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### As Passed Legislature

**Title:** An act relating to social card games in an area annexed by a city or town that allowed a house-banked social card game business to continue operating under RCW 9.46.295

**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).

**Brief History:**

**Committee Activity:**

State Government & Tribal Affairs: 2/2/11, 2/14/11 [DPS].

**Floor Activity:**

Passed House: 2/28/11, 94-1.

Passed Senate: 4/6/11, 46-2.

Passed Legislature.

**Brief Summary of Substitute Bill**

- Requires a city that annexed an area and allowed a house-banked card game business in the annexed area to continue operating to also allow non house-banked existing card game businesses in the annexed area to continue to operate.

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### HOUSE COMMITTEE ON STATE GOVERNMENT & TRIBAL AFFAIRS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Hunt, Chair; Taylor, Ranking Minority Member; Overstreet, Assistant Ranking Minority Member; Alexander, Darneille, Dunshee, Hurst, McCoy and Miloscia.

**Staff:** Joan Elgee (786-7106).

**Background:**

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*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.*

The Gambling Act authorizes 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 the Legislature authorized 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 (Engrossed Substitute Senate Bill 5321). 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 of Substitute Bill:**

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

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** 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 bill will allow a small business, a small card room that is not a casino, to continue to operate. The City of Kent is fine with allowing this business to continue operating. The amendment will keep this bill tight.

(Opposed) None.

**Persons Testifying:** Representative Upthegrove, prime sponsor; and Christian Etheridge.

**Persons Signed In To Testify But Not Testifying:** None.