

# SENATE BILL REPORT

## SHB 1402

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As Reported by Senate Committee On:  
Labor, Commerce & Consumer Protection, March 22, 2011

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

**Committee Activity:** Labor, Commerce & Consumer Protection: 3/17/11, 3/21/11, 3/22/11 [DP].

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### SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

**Majority Report:** Do pass.

Signed by Senators Kohl-Welles, Chair; Conway, Vice Chair; Holmquist Newbry, Ranking Minority Member; King, Assistant Ranking Minority Member; Hewitt, Keiser and Kline.

**Staff:** Edith Rice (786-7444)

**Background:** 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

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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 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.

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

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

**Staff Summary of Public Testimony:** PRO: This is helpful for the one constituent that it affects. We appreciate the support for a small business.

**Persons Testifying:** PRO: Representative Upthegrove, prime sponsor; Christian Etheridge, Sidetrack Pub and Eatery.