

# HOUSE BILL REPORT

## HB 2001

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### As Reported by House Committee On: Commerce & Gaming

**Title:** An act relating to the use of and possession of electronic or electromechanical amusement machines.

**Brief Description:** Concerning amusement games.

**Sponsors:** Representatives Zeiger and Condotta.

#### **Brief History:**

##### **Committee Activity:**

Commerce & Gaming: 2/10/15, 2/12/15 [DPS].

#### **Brief Summary of Substitute Bill**

- Defines the skill required for amusement games regulated by the Washington State Gambling Commission (Commission).
- Permits amusement games to include elements of chance.
- Clarifies the Commission's authority over amusement games.

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### HOUSE COMMITTEE ON COMMERCE & GAMING

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Hurst, Chair; Wylie, Vice Chair; Condotta, Ranking Minority Member; Holy, Assistant Ranking Minority Member; Blake, Kirby, Moscoso, Scott and Vick.

**Staff:** David Rubenstein (786-7153).

#### **Background:**

Under the Gambling Act (Act), the Washington State Gambling Commission (Commission) regulates wagering on activities such as social card games, bingo, raffles, amusement games, punch boards, pull-tabs, and fund-raising events.

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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.*

Several sections of the Act address amusement games. An amusement game is a game played for entertainment that requires, to a material degree, skill of the contestant and that awards merchandise prizes only, such as crane games. The material degree of skill required for contestants is defined in rule. Various types of amusement games are also spelled out in rule, each with a specific set of standards.

In general, if a device includes elements of chance, it is classified as a "gambling device." Ownership or possession of a gambling device is a felony, unless the owner is licensed by the Commission.

The Act authorizes the Commission to issue licenses allowing persons, associations, or organizations to conduct or operate amusement games in such a manner and at such locations as the Commission may determine. The Act lists particular locations where amusement games may be conducted, including certain fairs, civic centers, or amusement parks.

Commission rules allow licensed amusement game operators to conduct amusement games at commercially operated family sports complexes, skating facilities, and grocery and department stores.

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#### **Summary of Substitute Bill:**

The degree of skill required for a device to qualify as an amusement game is defined. The player's physical or mental abilities must play an important role in determining the outcome of the game, and the success rate of the average player must be likely to improve with repeated play or practice.

Amusement games are permitted to include randomly generated features or events, or elements of chance. Those features may be unpredictable variations in the objects or patterns the player encounters during the game. The device operator may not be in control of the random events, and the occurrence and frequency of the events may not depend on the number of plays completed by the player or tickets issued to the player.

The Commission has rule-making authority over amusement games and may set fees for testing the games for compliance.

#### **Substitute Bill Compared to Original Bill:**

The substitute bill makes technical wording changes and requires the skill of the player to be "integral" in addition to important.

The substitute also redefines the element of chance allowed in amusement games to mean random features, as defined by the Commission's rules, and which do not control the outcome of the game. The random features may be variations in objects or patterns encountered by the player that appear unpredictably.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**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 bill is necessary to expand the ability of businesses to offer amusement games to children. Policies restricting amusement games date back to the 1950s, when there were abusive practices that needed to be addressed and which no longer exist. Proponents of this bill worked with the Commission to build language that would expand access for small businesses with low margins while also protecting children, though the Commission may have more changes.

(Neutral) The Commission worked with the prime sponsor and legislative staff to allow random elements to be played in amusement games. The Commission wants to ensure that staff and commissioners can interpret language correctly and in line with the intent of the Legislature. Long ago, when these regulations were put in place, the Commission was given the responsibility of checking to see that amusement games requiring skill were not rigged. The Commission approves games that give every player the opportunity to win a prize the same as anyone else. In some games, random elements do not appear for every player and do not give all players an equal opportunity to succeed.

(Opposed) None.

**Persons Testifying:** (In support) Representative Zeiger, prime sponsor.

(Neutral) Arlene Dennistoun, Washington State Gambling Commission.

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