

SENATE BILL REPORT

SB 5800

As of February 11, 2016

Title: An act relating to gambling devices.

Brief Description: Allowing businesses to possess gambling devices or components of authorized gambling devices without first obtaining a license under certain conditions.

Sponsors: Senator Pearson.

Brief History:

Committee Activity: Commerce & Labor: 1/13/16.

SENATE COMMITTEE ON COMMERCE & LABOR

Staff: Susan Jones (786-7404)

Background: Under state law, gambling is staking or risking something of value upon the outcome of a contest of chance or future contingent event not under the person's control, and which includes the expectation that something of value will be received in the event of a certain outcome. The Washington State Gambling Commission (Commission) regulates statewide gambling activities, except horse racing and the state lottery.

A person who owns or possesses a gambling device without a license from the Commission is guilty of a class C felony and is subject to a fine of up to \$100,000 or five years in prison, or both. A gambling device is defined in statute and includes slot machines, video pull-tabs, video poker, and other electronic games of chance.

Summary of Bill: A business may possess gambling devices or components of authorized gambling devices without a license if the business registers with the Commission and when:

1. the devices and components are:
 - a. inspected and approved by the Commission;
 - b. not available to the general public;
 - c. accessible only to the business' employees;
 - d. possessed only in locations approved by the Commission; and
 - e. not used for gambling purposes; and
2. the business is in compliance with the Commission's rules and has paid any required inspection fees.

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.

Appropriation: None.

Fiscal Note: Available.

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: Under current law, manufacturers that make rollers for card shuffling machines used in casinos for gambling cannot possess a machine in their manufacturing facilities for inspection purposes to see how the rollers react in the machines without being penalized. Consequently, some have had to fly to other states, such as Colorado, whenever they want to look at a shuffler. They would like to see if this situation could be remedied so they can do the inspections locally. Some machines are used by the Tulalip and Muckleshoot casinos and they would like to be able to possess those machines to see how the rollers perform. In addition, businesses may be able to grow and create additional jobs if they are able to manufacture gambling devices or inspect the machines in Washington state without obtaining a license. A Washington manufacturer was approached to manufacture a machine for use in Nevada but he had to cut off the inquiry because he could not possess a machine in this state without a license. It was estimated that the manufacturing would have created 10 to 20 jobs in Washington state.

OTHER: The Gambling Commission is neutral at this point. The Commission will be briefed on the bill at the next meeting later this week. However, the Gambling Commission takes the position that if a business is not licensed, it may not possess a gambling device. This issue pops up periodically on a broader basis. There are businesses that have different types of machines for different purposes. This goes back at least 10 years. The Gambling Commission would develop the necessary rules.

Persons Testifying: PRO: James Durrett, Docufeed Technologies Inc.

OTHER: Brian Considine, Washington State Gambling Commission/legislative liaison.

Persons Signed In To Testify But Not Testifying: No one.