

HOUSE BILL REPORT

HB 2332

As Reported by House Committee On:
Commerce & Gaming

Title: An act relating to gambling addiction.

Brief Description: Concerning gambling addiction.

Sponsors: Representatives Sawyer, Condotta, Ormsby and Appleton.

Brief History:

Committee Activity:

Commerce & Gaming: 1/9/18, 1/15/18 [DP].

Brief Summary of Bill

- Requires the Gambling Commission (Commission) to adopt rules establishing a self-exclusion program for problem and pathological gamblers.
- Specifies the program must include a process for a person who believes the person is or may be a problem or pathological gambler to voluntarily exclude themselves from gambling at all gambling establishments licensed by the Commission.
- Specifies the program must include a process for casinos owned or operated by Indian tribes or tribal enterprises to voluntarily participate in the self-exclusion program, so ultimately a person who is or may be a problem or pathological gambler may self-exclude themselves from gambling at all casinos and state-licensed gambling establishments in the state, by submitting one form at one location.
- Exempts personal information submitted by a person to the state through the self-exclusion program from public inspection and copying under the Public Records Act.

HOUSE COMMITTEE ON COMMERCE & GAMING

Majority Report: Do pass. Signed by 9 members: Representatives Sawyer, Chair; Kloba, Vice Chair; Condotta, Ranking Minority Member; Vick, Assistant Ranking Minority Member; Blake, Jenkin, Kirby, Ryu and Young.

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.

Staff: Peter Clodfelter (786-7127).

Background:

The Gambling Commission (Commission) issues licenses to conduct social card games, including house-banked card games, as a commercial stimulant, among other licenses authorizing certain gambling activities. Additionally, federally recognized Indian tribes in the state operate casinos with class III gaming in accordance with compacts entered between tribes and the state pursuant to the federal Indian Gaming Regulatory Act (IGRA). Pursuant to IGRA, class III gaming includes lotteries, card games like blackjack and baccarat, as well as other house-banked games like craps and roulette.

A 1994 law requires the Commission, the Horse Racing Commission, and the Lottery Commission to jointly develop informational signs concerning problem and pathological gambling that include a toll-free hotline number for problem and pathological gamblers. The signs must be placed in the establishments of gambling licensees, horse racing licensees, and lottery retailers. Additionally, the three agencies may contract with other qualified entities to provide public awareness, training, and other services.

A 2005 law created the Problem Gambling Account (PGA), which is within the State Treasury. The PGA is funded from an additional business & occupation tax imposed upon every person engaging within this state in the business of operating contests of chance, in an amount equal to the gross income of the business derived from contests of chance, multiplied by the rate of 0.13 percent. Also, a portion of the revenue derived from the shared game lottery is transferred each fiscal year to the PGA, in an amount equal to net receipts multiplied by 0.13 percent.

Monies in the PGA may be spent only after appropriation. And Monies may be spent only for purposes of funding a program implemented by the Department of Social and Health Services (DSHS) for the prevention and treatment of problem and pathological gambling and the training of professionals in the identification and treatment of problem and pathological gambling.

The DSHS may certify and contract with treatment facilities for any services provided under the program. To receive treatment through the DSHS's program, a person must need treatment for problem or pathological gambling, or because of the problem or pathological gambling of a family member, but be unable to afford treatment. Additionally, the person must be targeted by the DSHS as being most amenable to treatment.

For purposes of the DSHS's problem and pathological gambling program, "pathological gambling" means a mental disorder characterized by loss of control over gambling, progression in preoccupation with gambling and in obtaining money to gamble, and continuation of gambling despite adverse consequences. "Problem gambling" means an earlier stage of pathological gambling which compromises, disrupts, or damages family or personal relationships or vocational pursuits.

Several other states within the United States (including California, Indiana, Maine, and Oklahoma) implement self-exclusion programs for problem and pathological gamblers.

Through these programs individuals may submit a single self-exclusion form to the state, either directly to a state regulator or through a casino or gambling establishment within the scope of the program, to limit or prohibit themselves from gambling and redeeming winnings at multiple casinos or gambling establishments. Washington does not have this type of state-wide self-exclusion program, although individual gambling establishments and tribal casinos in the state may voluntarily offer a self-exclusion option to customers at the individual facility.

Summary of Bill:

The Gambling Commission (Commission) is required to adopt rules establishing a self-exclusion program for problem and pathological gamblers. The rules must be adopted by June 30, 2020.

The Commission has discretion in establishing the scope and requirements of the self-exclusion program. However, the program must include a process for a person who believes the person is or may be a problem or pathological gambler to voluntarily exclude themselves from gambling at all gambling establishments licensed by the Commission.

Additionally, the program must include a process for casinos owned or operated by Indian tribes or tribal enterprises to voluntarily participate in the self-exclusion program, so that ultimately a person who is or may be a problem or pathological gambler may self-exclude themselves from gambling at all casinos and state-licensed gambling establishments in the state, no matter who owns or operates the casino or state-licensed gambling establishment, by submitting one form at one location.

An exemption to public inspection and copying under the Public Records Act is added for all information submitted by a person to the state, either directly or through a state-licensed gambling establishment or casino owned or operated by an Indian tribe or tribal enterprise, as part of the self-exclusion program developed by the Commission.

The subsection numbering of an unrelated existing requirement in section 2, related to the Department of Licensing's duty to provide a report to the Legislature, is changed to fix a missing subsection number.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on July 1, 2018.

Staff Summary of Public Testimony:

(In support) This bill is modeled on programs in other states designed to assist people struggling with gambling addiction, and will give the Gambling Commission (Commission) additional authority and tools to address this issue. Many card rooms and casinos offer some form of exclusion policy for their specific facility, but it's burdensome and time consuming for a person to have to submit a self-exclusion form at each separate facility, and it requires a person to visit the place they are trying to exclude themselves from. This is a first step in a broader approach to prevent and treat gambling addiction. The industry is in support and is working with the Evergreen Council on Problem Gambling on creating training awareness for industry employees who may encounter potential problem gamblers.

(Opposed) None.

(Other) There is a \$3 billion gambling industry in this state. However, there are unfortunate social costs associated with gambling. A 2016 market study showed that 90 percent of people in the state live within a one-hour drive of a commercial or tribal casino, and that 99 percent of people live within a two-hour drive. Gambling addiction is more prevalent than people realize. About 4.3 million adults live one hour from a casino and 40 percent of those adults will participate in gambling. About 86,000 Washingtonians are problem or pathological gamblers. The bill is an excellent first step for the state to address this problem, and should consider taking a much more comprehensive look at the issue.

The Commission will present this bill to its citizen commission this week, and then will likely take a position on the legislation House Bill 2332. The Commission appreciates the 2020 deadline for rulemaking. This will likely be a time consuming process, so the Commission appreciates the 2020 deadline for rulemaking. The Commission also appreciates the opt-in process for tribes, and thinks the Public Records Act exemption for a participants' personal information is important. The costs associated with implementing the bill are generally one-time costs, although the Commission would appreciate an appropriation to implement the legislation. Compacts with tribes control how problem gambling is regulated at tribal facilities, so this would require amendments to compacts with tribes. At least one tribe with several rural casinos may have concerns with any new financial impacts that a program could require, as the casinos are rural resort locations, which are highly seasonal. However, there is broad-based recognition in Indian country of the need to prevent and treat problem gambling, both in and out of Indian country, and a portion of gambling proceeds from tribes currently funds mental health programs. Tribes look forward to participating with the state to address this issue.

Persons Testifying: (In support) Representative Sawyer, prime sponsor; and Dolores Chiechi, Recreational Gaming Association.

(Other) Julia Patterson, Dave Trujillo, and Brian Considine, Gambling Commission; and Michael Moran, Confederate Tribes of the Colville Reservation.

Persons Signed In To Testify But Not Testifying: None.