

ESHB 2638 - S COMM AMD  
By Committee on Ways & Means

ADOPTED 03/05/2020

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** It has long been the policy of this state  
4 to prohibit all forms and means of gambling except where carefully  
5 and specifically authorized and regulated. The legislature intends to  
6 further this policy by authorizing sports wagering on a very limited  
7 basis by restricting it to tribal casinos in the state of Washington.  
8 Tribes have more than twenty years' experience with, and a proven  
9 track record of, successfully operating and regulating gaming  
10 facilities in accordance with tribal gaming compacts. Tribal casinos  
11 can operate sports wagering pursuant to these tribal gaming compacts,  
12 offering the benefits of the same highly regulated environment to  
13 sports wagering.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 9.46 RCW  
15 to read as follows:

16 (1) Upon the request of a federally recognized Indian tribe or  
17 tribes in the state of Washington, the tribe's class III gaming  
18 compact may be amended pursuant to the Indian gaming regulatory act,  
19 25 U.S.C. Sec. 2701 et seq., and RCW 9.46.360 to authorize the tribe  
20 to conduct and operate sports wagering on its Indian lands, provided  
21 the amendment addresses: Licensing; fees associated with the gambling  
22 commission's regulation of sports wagering; how sports wagering will  
23 be conducted, operated, and regulated; issues related to criminal  
24 enforcement, including money laundering, sport integrity, and  
25 information sharing between the commission and the tribe related to  
26 such enforcement; and responsible and problem gambling. Sports  
27 wagering conducted pursuant to the gaming compact is a gambling  
28 activity authorized by this chapter.

29 (2) Sports wagering conducted pursuant to the provisions of a  
30 class III gaming compact entered into by a tribe and the state

1 pursuant to RCW 9.46.360 is authorized bookmaking and is not subject  
2 to civil or criminal penalties pursuant to RCW 9.46.225.

3 **Sec. 3.** RCW 9.46.070 and 2012 c 116 s 1 are each amended to read  
4 as follows:

5 The commission shall have the following powers and duties:

6 (1) To authorize and issue licenses for a period not to exceed  
7 one year to bona fide charitable or nonprofit organizations approved  
8 by the commission meeting the requirements of this chapter and any  
9 rules and regulations adopted pursuant thereto permitting said  
10 organizations to conduct bingo games, raffles, amusement games, and  
11 social card games, to utilize punchboards and pull-tabs in accordance  
12 with the provisions of this chapter and any rules and regulations  
13 adopted pursuant thereto and to revoke or suspend said licenses for  
14 violation of any provisions of this chapter or any rules and  
15 regulations adopted pursuant thereto: PROVIDED, That the commission  
16 shall not deny a license to an otherwise qualified applicant in an  
17 effort to limit the number of licenses to be issued: PROVIDED  
18 FURTHER, That the commission or director shall not issue, deny,  
19 suspend, or revoke any license because of considerations of race,  
20 sex, creed, color, or national origin: AND PROVIDED FURTHER, That the  
21 commission may authorize the director to temporarily issue or suspend  
22 licenses subject to final action by the commission;

23 (2) To authorize and issue licenses for a period not to exceed  
24 one year to any person, association, or organization operating a  
25 business primarily engaged in the selling of items of food or drink  
26 for consumption on the premises, approved by the commission meeting  
27 the requirements of this chapter and any rules and regulations  
28 adopted pursuant thereto permitting said person, association, or  
29 organization to utilize punchboards and pull-tabs and to conduct  
30 social card games as a commercial stimulant in accordance with the  
31 provisions of this chapter and any rules and regulations adopted  
32 pursuant thereto and to revoke or suspend said licenses for violation  
33 of any provisions of this chapter and any rules and regulations  
34 adopted pursuant thereto: PROVIDED, That the commission shall not  
35 deny a license to an otherwise qualified applicant in an effort to  
36 limit the number of licenses to be issued: PROVIDED FURTHER, That the  
37 commission may authorize the director to temporarily issue or suspend  
38 licenses subject to final action by the commission;

1 (3) To authorize and issue licenses for a period not to exceed  
2 one year to any person, association, or organization approved by the  
3 commission meeting the requirements of this chapter and meeting the  
4 requirements of any rules and regulations adopted by the commission  
5 pursuant to this chapter as now or hereafter amended, permitting said  
6 person, association, or organization to conduct or operate amusement  
7 games in such manner and at such locations as the commission may  
8 determine. The commission may authorize the director to temporarily  
9 issue or suspend licenses subject to final action by the commission;

10 (4) To authorize, require, and issue, for a period not to exceed  
11 one year, such licenses as the commission may by rule provide, to any  
12 person, association, or organization to engage in the manufacturing,  
13 selling, distributing, or otherwise supplying (~~or in the~~  
14 ~~manufacturing~~) of devices, equipment, software, hardware, or any  
15 gambling-related services for use within this state for those  
16 activities authorized by this chapter. The commission may authorize  
17 the director to temporarily issue or suspend licenses subject to  
18 final action by the commission;

19 (5) To establish a schedule of annual license fees for carrying  
20 on specific gambling activities upon the premises, and for such other  
21 activities as may be licensed by the commission, which fees shall  
22 provide to the commission not less than an amount of money adequate  
23 to cover all costs incurred by the commission relative to licensing  
24 under this chapter and the enforcement by the commission of the  
25 provisions of this chapter and rules and regulations adopted pursuant  
26 thereto: PROVIDED, That all licensing fees shall be submitted with an  
27 application therefor and such portion of said fee as the commission  
28 may determine, based upon its cost of processing and investigation,  
29 shall be retained by the commission upon the withdrawal or denial of  
30 any such license application as its reasonable expense for processing  
31 the application and investigation into the granting thereof: PROVIDED  
32 FURTHER, That if in a particular case the basic license fee  
33 established by the commission for a particular class of license is  
34 less than the commission's actual expenses to investigate that  
35 particular application, the commission may at any time charge to that  
36 applicant such additional fees as are necessary to pay the commission  
37 for those costs. The commission may decline to proceed with its  
38 investigation and no license shall be issued until the commission has  
39 been fully paid therefor by the applicant: AND PROVIDED FURTHER, That  
40 the commission may establish fees for the furnishing by it to

1 licensees of identification stamps to be affixed to such devices and  
2 equipment as required by the commission and for such other special  
3 services or programs required or offered by the commission, the  
4 amount of each of these fees to be not less than is adequate to  
5 offset the cost to the commission of the stamps and of administering  
6 their dispersal to licensees or the cost of administering such other  
7 special services, requirements or programs;

8 (6) To prescribe the manner and method of payment of taxes, fees  
9 and penalties to be paid to or collected by the commission;

10 (7) To require that applications for all licenses contain such  
11 information as may be required by the commission: PROVIDED, That all  
12 persons (a) having a managerial or ownership interest in any gambling  
13 activity, or the building in which any gambling activity occurs, or  
14 the equipment to be used for any gambling activity, (~~(e)~~) (b)  
15 participating as an employee in the operation of any gambling  
16 activity, or (c) participating as an employee in the operation,  
17 management, or providing of gambling-related services for sports  
18 wagering, shall be listed on the application for the license and the  
19 applicant shall certify on the application, under oath, that the  
20 persons named on the application are all of the persons known to have  
21 an interest in any gambling activity, building, or equipment by the  
22 person making such application: PROVIDED FURTHER, That the commission  
23 shall require fingerprinting and national criminal history background  
24 checks on any persons seeking licenses, certifications, or permits  
25 under this chapter or of any person holding an interest in any  
26 gambling activity, building, or equipment to be used therefor, or of  
27 any person participating as an employee in the operation of any  
28 gambling activity. All national criminal history background checks  
29 shall be conducted using fingerprints submitted to the United States  
30 department of justice-federal bureau of investigation. The commission  
31 must establish rules to delineate which persons named on the  
32 application are subject to national criminal history background  
33 checks. In identifying these persons, the commission must take into  
34 consideration the nature, character, size, and scope of the gambling  
35 activities requested by the persons making such applications;

36 (8) To require that any license holder maintain records as  
37 directed by the commission and submit such reports as the commission  
38 may deem necessary;

39 (9) To require that all income from bingo games, raffles, and  
40 amusement games be recorded and reported as established by rule or

1 regulation of the commission to the extent deemed necessary by  
2 considering the scope and character of the gambling activity in such  
3 a manner that will disclose gross income from any gambling activity,  
4 amounts received from each player, the nature and value of prizes,  
5 and the fact of distributions of such prizes to the winners thereof;

6 (10) To regulate and establish maximum limitations on income  
7 derived from bingo. In establishing limitations pursuant to this  
8 subsection the commission shall take into account (a) the nature,  
9 character, and scope of the activities of the licensee; (b) the  
10 source of all other income of the licensee; and (c) the percentage or  
11 extent to which income derived from bingo is used for charitable, as  
12 distinguished from nonprofit, purposes. However, the commission's  
13 powers and duties granted by this subsection are discretionary and  
14 not mandatory;

15 (11) To regulate and establish the type and scope of and manner  
16 of conducting the gambling activities authorized by this chapter,  
17 including but not limited to, the extent of wager, money, or other  
18 thing of value which may be wagered or contributed or won by a player  
19 in any such activities;

20 (12) To regulate the collection of and the accounting for the fee  
21 which may be imposed by an organization, corporation, or person  
22 licensed to conduct a social card game on a person desiring to become  
23 a player in a social card game in accordance with RCW 9.46.0282;

24 (13) To cooperate with and secure the cooperation of county,  
25 city, and other local or state agencies in investigating any matter  
26 within the scope of its duties and responsibilities;

27 (14) In accordance with RCW 9.46.080, to adopt such rules and  
28 regulations as are deemed necessary to carry out the purposes and  
29 provisions of this chapter. All rules and regulations shall be  
30 adopted pursuant to the administrative procedure act, chapter 34.05  
31 RCW;

32 (15) To set forth for the perusal of counties, city-counties,  
33 cities and towns, model ordinances by which any legislative authority  
34 thereof may enter into the taxing of any gambling activity authorized  
35 by this chapter;

36 (16)(a) To establish and regulate a maximum limit on salaries or  
37 wages which may be paid to persons employed in connection with  
38 activities conducted by bona fide charitable or nonprofit  
39 organizations and authorized by this chapter, where payment of such  
40 persons is allowed, and to regulate and establish maximum limits for

1 other expenses in connection with such authorized activities,  
2 including but not limited to rent or lease payments. However, the  
3 commissioner's powers and duties granted by this subsection are  
4 discretionary and not mandatory.

5 (b) In establishing these maximum limits the commission shall  
6 take into account the amount of income received, or expected to be  
7 received, from the class of activities to which the limits will apply  
8 and the amount of money the games could generate for authorized  
9 charitable or nonprofit purposes absent such expenses. The commission  
10 may also take into account, in its discretion, other factors,  
11 including but not limited to, the local prevailing wage scale and  
12 whether charitable purposes are benefited by the activities;

13 (17) To authorize, require, and issue for a period not to exceed  
14 one year such licenses or permits, for which the commission may by  
15 rule provide, to any person to work for any operator of any gambling  
16 activity authorized by this chapter in connection with that activity,  
17 or any manufacturer, supplier, or distributor of devices for those  
18 activities in connection with such business. The commission may  
19 authorize the director to temporarily issue or suspend licenses  
20 subject to final action by the commission. The commission shall not  
21 require that persons working solely as volunteers in an authorized  
22 activity conducted by a bona fide charitable or bona fide nonprofit  
23 organization, who receive no compensation of any kind for any purpose  
24 from that organization, and who have no managerial or supervisory  
25 responsibility in connection with that activity, be licensed to do  
26 such work. The commission may require that licensees employing such  
27 unlicensed volunteers submit to the commission periodically a list of  
28 the names, addresses, and dates of birth of the volunteers. If any  
29 volunteer is not approved by the commission, the commission may  
30 require that the licensee not allow that person to work in connection  
31 with the licensed activity;

32 (18) To publish and make available at the office of the  
33 commission or elsewhere to anyone requesting it a list of the  
34 commission licensees, including the name, address, type of license,  
35 and license number of each licensee;

36 (19) To establish guidelines for determining what constitutes  
37 active membership in bona fide nonprofit or charitable organizations  
38 for the purposes of this chapter;

39 (20) To renew the license of every person who applies for renewal  
40 within six months after being honorably discharged, removed, or

1 released from active military service in the armed forces of the  
2 United States upon payment of the renewal fee applicable to the  
3 license period, if there is no cause for denial, suspension, or  
4 revocation of the license;

5 (21) To authorize, require, and issue, for a period not to exceed  
6 one year, such licenses as the commission may by rule provide, to any  
7 person, association, or organization that engages in any sports  
8 wagering-related services for use within this state for sports  
9 wagering activities authorized by this chapter. The commission may  
10 authorize the director to temporarily issue or suspend licenses  
11 subject to final action by the commission;

12 (22) To issue licenses under subsections (1) through (4) of this  
13 section that are valid for a period of up to eighteen months, if it  
14 chooses to do so, in order to transition to the use of the business  
15 licensing services program through the department of revenue; and

16 ~~((+22))~~ (23) To perform all other matters and things necessary  
17 to carry out the purposes and provisions of this chapter.

18 **Sec. 4.** RCW 9.46.130 and 2011 c 336 s 303 are each amended to  
19 read as follows:

20 (1) The premises and paraphernalia, and all the books and  
21 records, databases, hardware, software, or any other electronic data  
22 storage device of any person, association, or organization conducting  
23 gambling activities authorized under this chapter and any person,  
24 association, or organization receiving profits therefrom or having  
25 any interest therein shall be subject to inspection and audit at any  
26 reasonable time, with or without notice, upon demand, by the  
27 commission or its designee, the attorney general or his or her  
28 designee, the chief of the Washington state patrol or his or her  
29 designee or the prosecuting attorney, sheriff, or director of public  
30 safety or their designees of the county wherein located, or the chief  
31 of police or his or her designee of any city or town in which said  
32 organization is located, for the purpose of determining compliance or  
33 noncompliance with the provisions of this chapter and any rules or  
34 regulations or local ordinances adopted pursuant thereto or any  
35 federal or state law. A reasonable time for the purpose of this  
36 section shall be: ~~((+1))~~ (a) If the items or records to be inspected  
37 or audited are located anywhere upon a premises any portion of which  
38 is regularly open to the public or members and guests, then at any  
39 time when the premises are so open, or at which they are usually

1 open; or ~~((2))~~ (b) if the items or records to be inspected or  
2 audited are not located upon a premises set out in ~~((subsection(1))~~  
3 (a) of this ~~((section))~~ subsection, then any time between the hours  
4 of 8:00 a.m. and 9:00 p.m., Monday through Friday.

5 (2) The commission shall be provided at such reasonable intervals  
6 as the commission shall determine with a report, under oath,  
7 detailing all receipts and disbursements in connection with such  
8 gambling activities together with such other reasonable information  
9 as required in order to determine whether such activities comply with  
10 the purposes of this chapter or any local ordinances relating  
11 thereto.

12 (3) The commission may require the submission of reports on  
13 suspicious activities or irregular betting activities to effectively  
14 identify players, wagering information, and suspicious and illegal  
15 transactions, including the laundering of illicit funds.

16 NEW SECTION. Sec. 5. A new section is added to chapter 9.46 RCW  
17 to read as follows:

18 (1) No person shall offer, promise, give, or attempt to give any  
19 thing of value to any person for the purpose of influencing the  
20 outcome of a sporting event, athletic event, or competition upon  
21 which a wager may be made.

22 (2) No person shall place, increase, or decrease a wager after  
23 acquiring knowledge, not available to the general public, that anyone  
24 has been offered, promised, or given any thing of value for the  
25 purpose of influencing the outcome of a sporting event, athletic  
26 event, or competition upon which the wager is placed, increased, or  
27 decreased.

28 (3) No person shall offer, promise, give, or attempt to give any  
29 thing of value to obtain confidential or insider information not  
30 available to the public with intent to use the information to gain a  
31 wagering advantage on a sporting event, athletic event, or  
32 competition.

33 (4) No person shall accept or agree to accept, any thing of value  
34 for the purpose of wrongfully influencing his or her play, action,  
35 decision making, or conduct in any sporting event, athletic event, or  
36 competition upon which a wager may be made.

37 (5) Any person who violates this section shall be guilty of a  
38 class C felony subject to the penalty set forth in RCW 9A.20.021.



1       **Sec. 6.** RCW 9.46.190 and 1991 c 261 s 7 are each amended to read  
2 as follows:

3       Any person ~~((or))~~, association, or organization operating any  
4 gambling activity ~~((who or which))~~ may not, directly or indirectly,  
5 ~~((shall))~~ in the course of such operation:

6       (1) Employ any device, scheme, or artifice to defraud; ~~((or))~~

7       (2) Make any untrue statement of a material fact, or omit to  
8 state a material fact necessary in order to make the statement made  
9 not misleading, in the light of the circumstances under which said  
10 statement is made; ~~((or))~~

11       (3) Engage in any act, practice, or course of operation as would  
12 operate as a fraud or deceit upon any person;

13       ~~((shall))~~ (4) Alter or misrepresent the outcome of a game or  
14 other event on which wagers have been made after the outcome is made  
15 sure but before it is revealed to the players;

16       (5) Place, increase, or decrease a bet or to determine the course  
17 of play after acquiring knowledge, not available to all players, of  
18 the outcome of the game or any event that affects the outcome of the  
19 game or which is the subject of the bet or to aid anyone in acquiring  
20 such knowledge for the purpose of placing, increasing, or decreasing  
21 a bet or determining the course of play contingent upon that event or  
22 outcome;

23       (6) Knowingly entice or induce another person to go to any place  
24 where a gambling activity is being conducted or operated in violation  
25 of the provisions of this chapter, with the intent that the other  
26 person play or participate in that gambling activity;

27       (7) Place or increase a bet after acquiring knowledge of the  
28 outcome of the game or other event that is the subject of the bet,  
29 including past posting and pressing bets; or

30       (8) Reduce the amount wagered or cancel the bet after acquiring  
31 knowledge of the outcome of the game or other event that is the  
32 subject of the bet, including pinching bets. Any person, association,  
33 or organization that violates this section shall be guilty of a  
34 ~~((gross misdemeanor))~~ class C felony subject to the penalty set forth  
35 in RCW 9A.20.021.

36       **Sec. 7.** RCW 9.46.210 and 2000 c 46 s 1 are each amended to read  
37 as follows:

1 (1) It shall be the duty of all peace officers, law enforcement  
2 officers, and law enforcement agencies within this state to  
3 investigate, enforce, and prosecute all violations of this chapter.

4 (2) In addition to the authority granted by subsection (1) of  
5 this section law enforcement agencies of cities and counties shall  
6 investigate and report to the commission all violations of the  
7 provisions of this chapter and of the rules of the commission found  
8 by them and shall assist the commission in any of its investigations  
9 and proceedings respecting any such violations. Such law enforcement  
10 agencies shall not be deemed agents of the commission.

11 (3) In addition to its other powers and duties, the commission  
12 shall have the power to enforce the penal provisions of this chapter  
13 (~~(218, Laws of 1973 1st ex. sess.)~~) and as it may be amended, and the  
14 penal laws of this state relating to the conduct of or participation  
15 in gambling activities, including chapter 9A.83 RCW, and the  
16 manufacturing, importation, transportation, distribution, possession,  
17 and sale of equipment or paraphernalia used or for use in connection  
18 therewith. The director, the deputy director, both assistant  
19 directors, and each of the commission's investigators, enforcement  
20 officers, and inspectors shall have the power, under the supervision  
21 of the commission, to enforce the penal provisions of this chapter  
22 (~~(218, Laws of 1973 1st ex. sess.)~~) and as it may be amended, and the  
23 penal laws of this state relating to the conduct of or participation  
24 in gambling activities, including chapter 9A.83 RCW, and the  
25 manufacturing, importation, transportation, distribution, possession,  
26 and sale of equipment or paraphernalia used or for use in connection  
27 therewith. They shall have the power and authority to apply for and  
28 execute all warrants and serve process of law issued by the courts in  
29 enforcing the penal provisions of this chapter (~~(218, Laws of 1973~~  
30 ~~1st ex. sess.)~~) and as it may be amended, and the penal laws of this  
31 state relating to the conduct of or participation in gambling  
32 activities and the manufacturing, importation, transportation,  
33 distribution, possession, and sale of equipment or paraphernalia used  
34 or for use in connection therewith. They shall have the power to  
35 arrest without a warrant, any person or persons found in the act of  
36 violating any of the penal provisions of this chapter (~~(218, Laws of~~  
37 ~~1973 1st ex. sess.)~~) and as it may be amended, and the penal laws of  
38 this state relating to the conduct of or participation in gambling  
39 activities and the manufacturing, importation, transportation,  
40 distribution, possession, and sale of equipment or paraphernalia used

1 or for use in connection therewith. To the extent set forth above,  
2 the commission shall be a law enforcement agency of this state with  
3 the power to investigate for violations of and to enforce the  
4 provisions of this chapter, as now law or hereafter amended, and to  
5 obtain information from and provide information to all other law  
6 enforcement agencies.

7 (4) Criminal history record information that includes  
8 nonconviction data, as defined in RCW 10.97.030, may be disseminated  
9 by a criminal justice agency to the Washington state gambling  
10 commission for any purpose associated with the investigation for  
11 suitability for involvement in gambling activities authorized under  
12 this chapter. The Washington state gambling commission shall only  
13 disseminate nonconviction data obtained under this section to  
14 criminal justice agencies.

15 (5) In addition to its other powers and duties, the commission  
16 may ensure sport integrity and prevent and detect competition  
17 manipulation through education and enforcement of the penal  
18 provisions of this chapter or chapter 67.04 or 67.24 RCW, or any  
19 other state penal laws related to the integrity of sporting events,  
20 athletic events, or competitions within the state.

21 (6) In addition to its other powers and duties, the commission  
22 may track and monitor gambling-related transactions occurring within  
23 the state to aid in its enforcement of the penal provisions of this  
24 chapter or chapter 9A.83 RCW, or any other state penal laws related  
25 to suspicious or illegal wagering activities, including the use of  
26 funds derived from illegal activity, wagers to conceal or launder  
27 funds derived from illegal activity, use of agents to place wagers,  
28 or use of false identification by a player.

29 **Sec. 8.** RCW 9.46.220 and 1997 c 78 s 2 are each amended to read  
30 as follows:

31 (1) A person is guilty of professional gambling in the first  
32 degree if he or she engages in, or knowingly causes, aids, abets, or  
33 conspires with another to engage in professional gambling as defined  
34 in this chapter, and:

35 (a) Acts in concert with or conspires with five or more people;  
36 ((~~or~~))

37 (b) Personally accepts wagers exceeding five thousand dollars  
38 during any thirty-day period on future contingent events; ((~~or~~))

1 (c) The operation for whom the person works, or with which the  
2 person is involved, accepts wagers exceeding five thousand dollars  
3 during any thirty-day period on future contingent events; (~~(e)~~)

4 (d) Operates, manages, or profits from the operation of a  
5 premises or location where persons are charged a fee to participate  
6 in card games, lotteries, or other gambling activities that are not  
7 authorized by this chapter or licensed by the commission; or

8 (e) Engages in bookmaking as defined in RCW 9.46.0213.

9 (2) However, this section shall not apply to those activities  
10 enumerated in RCW 9.46.0305 through 9.46.0361 or to any act or acts  
11 in furtherance of such activities when conducted in compliance with  
12 the provisions of this chapter and in accordance with the rules  
13 adopted pursuant to this chapter.

14 (3) Professional gambling in the first degree is a class B felony  
15 subject to the penalty set forth in RCW 9A.20.021.

16 NEW SECTION. Sec. 9. A new section is added to chapter 9.46 RCW  
17 to read as follows:

18 The transmission of gambling information over the internet for  
19 any sports wagering conducted and operated under this section and  
20 section 2 of this act is authorized, provided that the wager may be  
21 placed and accepted at a tribe's gaming facility only while the  
22 customer placing the wager is physically present on the premises of  
23 that tribe's gaming facility.

24 **Sec. 10.** RCW 9.46.240 and 2006 c 290 s 2 are each amended to  
25 read as follows:

26 (1) Whoever knowingly transmits or receives gambling information  
27 by telephone, telegraph, radio, semaphore, the internet, a  
28 telecommunications transmission system, or similar means, or  
29 knowingly installs or maintains equipment for the transmission or  
30 receipt of gambling information shall be guilty of a class C felony  
31 subject to the penalty set forth in RCW 9A.20.021. (~~However, this~~)

32 (2) This section shall not apply to such information transmitted  
33 or received or equipment or devices installed or maintained relating  
34 to activities authorized by this chapter including, but not limited  
35 to, sports wagering authorized under sections 2 and 9 of this act, or  
36 to any act or acts in furtherance thereof when conducted in  
37 compliance with the provisions of this chapter and in accordance with

1 the rules adopted under this chapter and conducted in accordance with  
2 tribal-state compacts.

3 NEW SECTION. **Sec. 11.** A new section is added to chapter 9.46  
4 RCW to read as follows:

5 (1)(a) For purposes of this chapter, "sports wagering" means the  
6 business of accepting wagers on any of the following sporting events,  
7 athletic events, or competitions by any system or method of wagering:

8 (i) A professional sport or athletic event;

9 (ii) A collegiate sport or athletic event;

10 (iii) An Olympic or international sports competition or event;

11 (iv) An electronic sports or esports competition or event;

12 (v) A combination of sporting events, athletic events, or  
13 competitions listed in (a)(i) through (iv) of this subsection (1); or

14 (vi) A portion of any sporting event, athletic event, or  
15 competition listed in (a)(i) through (iv) of this subsection (1).

16 (b) Sports wagering does not include the business of accepting  
17 wagers on horse racing authorized pursuant to chapter 67.16 RCW.

18 (2) For purposes of this section:

19 (a) "Collegiate sport or athletic event" means a sport or  
20 athletic event offered or sponsored by, or played in connection with,  
21 a public or private institution that offers education services beyond  
22 the secondary level, other than such an institution that is located  
23 within the state of Washington.

24 (b) "Electronic or esports event" means a live event or  
25 tournament attended or watched by members of the public where games  
26 or matches are contested in real time by players and teams and  
27 players or teams can win a prize based on their performance in the  
28 live event or tournament.

29 (c) "Professional sport or athletic event" means an event that is  
30 not a collegiate sport or athletic event at which two or more persons  
31 participate in sports or athletic events and receive compensation in  
32 excess of actual expenses for their participation in the event.  
33 "Professional sport or athletic event" does not include any minor  
34 league sport. Sports wagering may not be conducted on any minor  
35 league sport.

36 **Sec. 12.** RCW 9.46.090 and 1987 c 505 s 3 are each amended to  
37 read as follows:

1 Subject to RCW 40.07.040, the commission shall, from time to  
2 time, make reports to the governor and the legislature covering such  
3 matters in connection with this chapter as the governor and the  
4 legislature may require. These reports shall be public documents and  
5 contain such general information and remarks as the commission deems  
6 pertinent thereto and any information requested by either the  
7 governor or members of the legislature: PROVIDED, That the commission  
8 appointed pursuant to RCW 9.46.040 may conduct a thorough study of  
9 the types of gambling activity permitted and the types of gambling  
10 activity prohibited by this chapter and may make recommendations to  
11 the legislature as to: (1) Gambling activity that ought to be  
12 permitted; (2) gambling activity that ought to be prohibited; (3) the  
13 types of licenses and permits that ought to be required; (4) the type  
14 and amount of tax that ought to be applied to each type of permitted  
15 gambling activity; (5) any changes which may be made to the law of  
16 this state which further the purposes and policies set forth in RCW  
17 9.46.010 as now law or hereafter amended; and (6) any other matter  
18 that the commission may deem appropriate. However, no later than  
19 December 1st of the year following any authorization by the  
20 legislature of a new gambling activity, any report by the commission  
21 to the governor and the appropriate committees of the legislature  
22 must include information on the state of the gambling industry both  
23 within the state and nationwide. Members of the commission and its  
24 staff may contact the legislature, or any of its members, at any  
25 time, to advise it of recommendations of the commission.

26 NEW SECTION. **Sec. 13.** If any provision of this act or its  
27 application to any person or circumstance is held invalid, the  
28 remainder of the act or the application of the provision to other  
29 persons or circumstances is not affected.

30 NEW SECTION. **Sec. 14.** The sum of six million dollars is  
31 appropriated from the general fund—state for the fiscal year ending  
32 June 30, 2020, and is provided solely for expenditure into the  
33 gambling revolving account. The gambling commission may expend from  
34 the gambling revolving account from moneys attributable to the  
35 appropriation in this section solely for enforcement actions in the  
36 illicit market for sports wagering and for implementation of this  
37 act. The appropriation in this section constitutes a loan from the

1 general fund to the gambling revolving account that must be repaid  
2 with net interest by June 30, 2021.

3 NEW SECTION. **Sec. 15.** This act is necessary for the immediate  
4 preservation of the public peace, health, or safety, or support of  
5 the state government and its existing public institutions, and takes  
6 effect immediately."

**ESHB 2638** - S COMM AMD  
By Committee on Ways & Means

**ADOPTED 03/05/2020**

7 On page 1, line 2 of the title, after "compacts;" strike the  
8 remainder of the title and insert "amending RCW 9.46.070, 9.46.130,  
9 9.46.190, 9.46.210, 9.46.220, 9.46.240, and 9.46.090; adding new  
10 sections to chapter 9.46 RCW; creating a new section; prescribing  
11 penalties; making an appropriation; and declaring an emergency."

EFFECT: (1) Excludes minor league sports from the definition of professional sport or athletic events. Prohibits sports wagering on any minor league sport.

(2) Allows the Gambling Commission to use the \$6 million appropriation to the gambling revolving account for implementation of the act, in addition to enforcement actions in the illicit market for sports wagering.

--- END ---