

# HOUSE BILL REPORT

## HB 1880

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

**Title:** An act relating to the creation of a joint legislative task force on problem gambling.

**Brief Description:** Creating a joint legislative task force on problem gambling.

**Sponsors:** Representatives Kloba, Harris, Davis, Ryu and Stanford.

#### **Brief History:**

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

Commerce & Gaming: 2/15/19, 2/19/19 [DPS].

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

- Creates the Joint Legislative Task Force on Problem Gambling (Task Force) to review: (1) findings from a problem gambling study funded in the 2018 Supplemental Operating Budget; (2) existing problem gambling programs and services in Washington and nationally; and (3) the emerging nexus between video-game addiction and casino-gambling addiction.
- Requires the Task Force to make recommendations to the Legislature, including whether additional prevalence research is needed, whether state policies and resources meet current and projected future demand for services, and whether funding for prevention and treatment should be expanded, with a preliminary report by November 2020 and a final report by November 2021.

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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 6 members: Representatives Stanford, Chair; Reeves, Vice Chair; Blake, Kirby, Kloba and Morgan.

**Minority Report:** Do not pass. Signed by 4 members: Representatives MacEwen, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Jenkin and Vick.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Young.

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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.*

**Staff:** Peter Clodfelter (786-7127).

**Background:**

In the 2018 Supplemental Operating Budget, the Washington State Gambling Commission (WSGC) was directed to contract for a study to analyze the scope of services available for pathological or problem gamblers and their families in Washington. The study had to include, at a minimum, the following: (1) the availability of prevention programs and services offered within Washington; (2) the availability of treatment programs and services offered for individuals with gambling-related problems and their families; and (3) strengths and deficits in problem gambling programs and services. A final report from the study was submitted to the Legislature in February 2019.

Regarding current problem gambling policies and resources, the WSGC, the Washington State Horse Racing Commission, and the Washington State Lottery Commission have jointly developed informational signs that include a toll-free hotline number for problem and pathological gamblers. The signs are placed in the establishments of gambling licensees, horse racing licensees, and lottery retailers. Also, the three commissions may contract with other qualified entities to provide public awareness, training, and other services related to problem and pathological gambling.

In addition to a 1.5 percent gross-receipts tax imposed on people engaging in the business of operating contests of chance, an additional tax is imposed equivalent to the gross income of the business derived from the contests of chance multiplied by the rate of 0.13 percent. Revenue from the additional 0.13 percent tax is deposited in the Problem Gambling Account (an appropriated account). Expenditures from the Problem Gambling Account may be used only for the purposes of programs under the Health Care Authority's (HCA) jurisdiction that relate to preventing and treating problem and pathological gambling and training professionals in the identification and treatment of problem and pathological gambling.

The HCA may license or certify treatment facilities and may contract with treatment facilities for any services provided under the program. To receive treatment under the 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, and be targeted by the HCA as being most amenable to treatment. For purposes of the program, pathological gambling is defined as 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 is described as an earlier stage of pathological gambling which compromises, disrupts, or damages family or personal relationships or vocational pursuits.

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**Summary of Substitute Bill:**

Legislative findings are included, and the Joint Legislative Task Force on Problem Gambling (Task Force) is created. The membership of the Task Force is as follows:

- one member from each of the two largest caucuses of the Senate, appointed by the President of the Senate;
- one member from each of the two largest caucuses in the House of Representatives, appointed by the Speaker of the House of Representatives;
- a representative from the Health Care Authority;
- a representative from the Department of Health;
- a representative from the Washington State Gambling Commission;
- a representative from the Washington State Lottery Commission;
- a representative from the Washington Horse Racing Commission;
- a representative from a nonprofit organization with experience in problem gambling treatment and recovery services;
- two representatives, one from a federally recognized Indian tribe, with experience in problem gambling treatment and recovery services;
- a member of the public who is impacted by a gambling problem or gambling disorder;
- a representative from a licensed gambling business or organization;
- a representative from a federally recognized tribal gaming operation, group, or organization; and
- other tribal representatives, state agency representatives, or stakeholder group representatives, at the discretion of the Task Force, for the purpose of participating in specific topic discussions or subcommittees.

The Task Force is directed to review the following: (1) findings of the problem gambling study completed in 2018 and 2019; (2) existing programs, services, and treatment to address problem gambling and gambling disorders in this state by public, private, and nonprofit entities; (3) existing programs, services, and treatment to address problem gambling and gambling disorders in other states and by the federal government; and (4) the emerging nexus between video-game addiction and casino-gambling addiction.

The Task Force must then make recommendations to the Legislature regarding whether additional research and study is needed on prevalence of problem gambling and gambling disorders in Washington, whether Washington should expand state funding for prevention, treatment, and recovery services to address the need for these programs, and whether current state licensing and certification of problem gambling providers meets the current and projected future demand for services. Additionally, the recommendations must identify additional problem gambling areas for consideration and any actions needed to ensure Washington and regulatory agencies are effectively addressing problem gambling in an attempt to reduce the number of persons impacted by this disorder. A preliminary report is due to the appropriate committees of the Legislature by November 1, 2020, and a final report is due by November 30, 2021.

**Substitute Bill Compared to Original Bill:**

Reviewing the emerging nexus between video-game addiction and casino-gambling addiction is added to the Task Force's duties.

**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) Although gambling is a fun activity without harm for most participants, for others it becomes a real problem. Gambling brings tourism to the state and supports jobs, but the right balance must always be struck. This bill recognizes that policy decisions related to gambling and problem gambling must be based on accurate data. A 2016 study showed that, unlike in other states, in Washington, gambling access is generally evenly distributed throughout the state. In fact, 90 percent of people live within one hour of a casino or card room. About 32 percent of people participate in a form of gambling, with the average person spending about \$950 per year. The problem gambling rate in Washington is significantly higher than the national average. The last time a thorough prevalence study was conducted was in 2005. Since then, the gaming landscape in the state has substantially changed and expanded. Washington is behind other states in terms of social services and treatment programs to address problem gambling. Gambling regulators recognize the social and behavioral impacts of problem gambling, the connection between gaming growth in the state and problem gambling, and the connection between problem gambling and crime. Regulators work to address these issues as possible, and are currently doing so through the separate pending self-exclusion bill. But what is most needed is expertise and leadership from social and behavioral health experts to address treatment services access. The Washington State Gambling Commission worked with the University of Washington and Washington State University in conducting the study on problem gambling required in the 2018 Supplemental Operating Budget, which the Task Force would include in its review. Over half of the card room industry's employees have undergone training related to problem gambling, including on how to identify and engage with problem gamblers about seeking help. Card room owners and employees are sensitive to the harm problem gambling can cause, yet must remain careful not to intrude too far on telling people how to live their lives. Recent survey data indicates that, conservatively, about 2.1 percent or 120,000 people within Washington are negatively impacted by problem gambling. The number could actually be up to the 4 percent range. It is time to take another look at problem gambling, and with the attainable goals set out in the bill, the Task Force is the best approach. The bill will lead to help for people in recovery and could save lives.

(Opposed) None.

**Persons Testifying:** Representative Kloba, prime sponsor; Chris Stearns, Brian Considine, and Dave Trujillo, Washington State Gambling Commission; Maureen Greeley, Evergreen Council on Problem Gambling; Frank Wright, Emerald Queen Casino; and Dolores Chiechi, Recreational Gambling Association.

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