

# SENATE BILL REPORT

## ESHB 1880

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As Reported by Senate Committee On:  
Labor & Commerce, April 1, 2019

**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:** House Committee on Commerce & Gaming (originally sponsored by Representatives Kloba, Harris, Davis, Ryu and Stanford).

**Brief History:** Passed House: 3/11/19, 98-0.

**Committee Activity:** Labor & Commerce: 3/25/19, 4/01/19 [DPA].

### Brief Summary of Amended Bill

- Creates the Joint Legislative Task Force on Problem Gambling (task force) to review findings from a problem gambling study and report funded in the 2018 supplemental operating budget and existing problem gambling programs and services in Washington and nationally.
- Requires the task force to make recommendations to the Legislature with a preliminary report by November 2020 and a final report by November 2021.

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### SENATE COMMITTEE ON LABOR & COMMERCE

**Majority Report:** Do pass as amended.

Signed by Senators Keiser, Chair; King, Ranking Member; Braun, Saldaña, Walsh and Wellman.

**Staff:** Susan Jones (786-7404)

**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

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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.

**Summary of Amended Bill:** A joint legislative task force on problem gambling is created. The membership is:

- 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 each of the following: the Health Care Authority; the Department of Health; the WSGC; the state Lottery; the Horse Racing Commission; a nonprofit organization with experience in problem gambling treatment and recovery services;
- a representative with experience in problem gambling treatment;
- a representative with experience in problem recovery services;
- a member of the public who is impacted by a gambling problem or gambling disorder;
- a representative from a problem gambling recovery group or organization; a mental health provider group or organization; a licensed gambling business or organization; each federally recognized tribe in Washington that elects to join the task force; and

- other representatives from 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 must:

- review findings of the 2019 problem gambling study and report; existing prevention, treatment, and recovery services to address problem gambling and gambling disorders in this state, in other states and the federal government; current funding of problem gambling services, including the effectiveness of the state games of chance problem gambling business and occupation tax used for funding; and existing programs, services, and treatment programs used by other states, countries, and the federal government to address problem gambling and gambling disorders;
- at a minimum, make recommendations to the Legislature on (1) how to proceed forward with a state prevalence study measuring the adult participation in gambling and adult problem gambling in this state; (2) whether funding should be expanded for services to address the need for these programs; and (3) what steps should be taken to improve the current licensing of problem gambling providers to meet the current and future demand; and to improve training and education for providers; and to improve access to services in underserved areas and populations; and
- identify any additional problem gambling areas for consideration and any actions needed to ensure the state and regulatory agencies or both are effectively addressing problem gambling in an attempt to reduce the number of impacted persons.

Subject to the availability of appropriated funds, staff support for the task force must be provided by an independent facilitator contracted by the WSGC.

The task force must submit a preliminary report of recommendations to the appropriate committees of the Legislature by November 1, 2020, and a final report by November 30, 2021.

The act expires November 30, 2022.

Legislative findings are made.

#### **EFFECT OF LABOR & COMMERCE COMMITTEE AMENDMENT(S):**

- Modifies the task force membership to include representatives with experience in problem gambling treatment and in recovery services, and each federally recognized tribe in Washington that elects to join the task force.
- Requires the task force to review current funding for problem gambling services.
- Modifies the requirements for reviewing existing programs.
- Adds "at a minimum" for the recommendations to be made to the Legislature and adds recommendations for steps the state should take regarding improving training, education, and access to services.
- Provides for staffing to the task force by an independent facilitator or consultant contracted by the Gambling Commission to the extent funding is appropriated.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Creates Committee/Commission/Task Force that includes Legislative members:** Yes.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Engrossed Substitute House Bill:** *The committee recommended a different version of the bill than what was heard.* PRO: The information from the problem gambling study gives some important, unsettling information. For example, the unofficial number shows that approximately 123,000 to 228,000 people need help with problem gambling and those helped through state supported services is less than 1 percent from the estimated need. There is a big disconnect between the need and the amount of services. This is a timely topic with March as the problem-gambling month. Although gambling is well regulated in Washington, there is a social cost to gambling. This comes from the hardships imposed on people and their families from gambling addiction.

The Legislature funded a study. This was an important first step. The prevalence of addiction is much higher than previously thought. We need many more gambling addiction counselors. We rank 26th in funding per capita for problem gambling services. We could be doing so much more. The task force will provide us with a meaningful response to the study.

If the bills that were introduced on gambling pass, that is a substantial expansion in gambling in Washington State. When you consider expansion of gambling, consider how you can expand services for the side effect.

Washington residents participate in gambling at a higher rate than the rest of the country. Ninety percent of Washington residents live within an hour's drive of a casino. In many other states, gambling establishments are concentrated in certain areas. In our state, it is just everywhere. The study will help determine the scale and scope of the problem.

There was a task force in 2004 that resulted in the current state program with funding from the industry. One of the pieces we would like to have included is a funding discussion. While the industry income and gross receipt has fluctuated, the amount that the state program is funding the program with has remained pretty static. An understanding of why that number does not ebb and flow with the numbers of the industry is questionable. The outcome resulted in a B&O tax that the horse racing industry, lottery commission, bingo, pulltabs, and card rooms were made to pay in support of this program. The tribal compacts now include language which involves them to help support the funding process. We think including therapeutic justice is important. Drug courts work. For people who are stealing to support their addiction or problem gambling, why not take a look at helping them, rather than incarcerating them to let them come back out to continue those same behaviors. Behavior health included in this conversation is imperative because those are the people who end up seeing those folks. Getting the industry involved is important as well. We are pleased that the list of involvement is broad. Self-exclusion is another issue that the committee has heard and the bill is moving forward. That is just one part of the program that works for helping people get into treatment. We hope that is a broader discussion as we go through with this task force. Problem gambling is where drugs and alcohol was 30 years ago. We are bringing light to it. If we put this task force together, it brings the issue of problem gambling further

out in the open. Coalitions and partnerships that include all stakeholders always result in the best outcomes.

**Persons Testifying:** PRO: Julia Patterson, Commissioner, Gambling Commission, Vice Chair; Chris Stearns, Commissioner, Gambling Commission; Brian Considine, Legal and Legislative Manager, Gambling Commission; Dolores Chiechi, Recreational Gaming Association.

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