HOUSE BILL 2839

State of Washington 66th Legislature 2020 Regular Session

By Representatives Kloba, Kirby, Senn, and Pollet

Read first time 01/24/20. Referred to Committee on Commerce & Gaming.

- 1 AN ACT Relating to regulating interactive digital entertainment
- 2 products; adding a new chapter to Title 19 RCW; prescribing
- 3 penalties; and providing an effective date.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 <u>NEW SECTION.</u> **Sec. 1.** (1) The legislature finds that video games and game content are easily accessible for both adults and minors.
- 7 The legislature further finds video game publishers employ
- 8 mechanisms, such as systems of purchasing randomized rewards or
- 9 virtual items, that compel players to keep spending money, resulting
- 10 in psychological and financial harms to video game users. The
- 11 legislature further finds that no meaningful protections exist for
- 12 consumers, and companies publishing or hosting games on their
- 13 platform have a responsibility to protect players from harm.
- 14 (2) Therefore, it is the intent of the legislature to put into
- 15 place protections for video games that contain a system of purchasing
- 16 randomized rewards or virtual items through prohibiting the sale of
- 17 these games to consumers under twenty-one years of age, requiring
- 18 labels to inform consumers that the product contains randomized
- 19 rewards, disclosing the probability of receiving rewards to
- 20 consumers, and studying the utilization and effect of pay-to-win
- 21 microtransactions and loot boxes on players of all ages.

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NEW SECTION. Sec. 2. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

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- (1) "Retailer" means a person who offers video games for sale, including resale by the purchaser, through any means including, but not limited to, sales outlets, catalogs, or by electronic means.
- (2) "Video game" means an object or device that stores recorded data or instructions, receives data or instructions generated by a person who uses it, and, by processing the data or instructions, creates an interactive game capable of being played, viewed, or experienced on or through a computer, gaming system, console, or other technology.
- 13 (3) "Video game publisher" means an entity that publishes video 14 games that have either been created internally or through a separate 15 entity.
- NEW SECTION. Sec. 3. (1) The Washington state gambling commission shall conduct a study on the utilization and effect of pay-to-win microtransactions and loot boxes on players of all ages.

 The study, at minimum, must:
- 20 (a) Analyze the use of pay-to-win microtransaction and loot box 21 design practices in specific interactive digital entertainment 22 products;
- 23 (b) Analyze the psychological effects of pay-to-win 24 microtransactions and loot boxes on users;
- 25 (c) Study game development practices relating to pay-to-win 26 microtransactions and loot boxes;
- 27 (d) Analyze the effects of pay-to-win microtransactions and loot 28 boxes on investment and production in the digital entertainment 29 industry;
- 30 (e) Document different types of pay-to-win microtransactions and 31 loot boxes found in interactive digital entertainment products; and
- 32 (f) Analyze whether other forms of add-on transactions to 33 interactive digital entertainment products can induce compulsive 34 purchasing behavior.
- 35 (2) By July 1, 2021, the Washington state gambling commission 36 must submit the results of the study required in subsection (1) of 37 this section to the appropriate committees of the legislature, 38 consistent with the requirements of RCW 43.01.036.

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NEW SECTION. Sec. 4. (1) Video games distributed within the state that contain a system to purchase a randomized reward, or a consumable virtual item that can be redeemed and directly or indirectly converted to a randomized reward, shall:

- (a) Bear a prominent, easily legible, bright red label on its packaging which reads: "Warning: Contains in-game purchases"; or
- (b) If purchased digitally and downloaded through the internet or an online application, prominently disclose to the consumer at the time of consumer purchase a bright red label that is easily legible and which reads: "Warning: Contains in-game purchases", so as to meaningfully inform the consumer's decision prior to purchase.
- (2) No video game publisher shall at any time modify a video game distributed within the state to contain or otherwise permit the inclusion of additional content for which the game was not appropriately labeled at the time of original sale.
- NEW SECTION. Sec. 5. (1) It shall be unlawful for any retailer to sell to any person under twenty-one years of age a video game that contains a system to purchase a randomized reward or a consumable virtual item that can be redeemed and directly or indirectly converted to a randomized reward.
- 21 (2) Any retailer selling, or offering for sale, a video game to 22 any person shall verify that the person is not a person under minimum 23 legal age by doing the following:
 - (a) Examining a government-issued photographic identification that establishes that the person is not a person under minimum legal age; or
 - (b) For sales made through the internet or other remote sales methods, performing an age verification through an independent, third-party age verification service that compares information available from public records to the personal information entered by the person during the ordering process that establishes that the person is not a person under minimum legal age.
- NEW SECTION. Sec. 6. Video game publishers that distribute video games within the state that contain a system to purchase a randomized reward, or a consumable virtual item that can be redeemed and directly or indirectly converted to a randomized reward, shall prominently disclose and publish to the consumer the probability rates of receiving each type of randomized reward at the time any

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- 1 mechanism to receive a randomized reward is activated so as to
- 2 meaningfully inform the consumer's decision prior to the purchase or
- 3 activation of any mechanism to receive a randomized reward.
- 4 <u>NEW SECTION.</u> **Sec. 7.** Sections 1 through 6 of this act
- 5 constitute a new chapter in Title 19 RCW.
- 6 <u>NEW SECTION.</u> **Sec. 8.** Sections 4 through 6 of this act take
- 7 effect January 1, 2022.

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