SENATE BILL 6689

State of Washington 66th Legislature 2020 Regular Session

By Senators Stanford, Wellman, and Kuderer

Read first time 02/14/20. Referred to Committee on Labor & Commerce.

- AN ACT Relating to protecting consumers against mechanisms of addiction in certain video games; adding a new chapter to Title 19 RCW; and providing an expiration date.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- Sec. 1. (1) The legislature finds that some video 5 NEW SECTION. 6 game companies intentionally employ methods intended to create addictive behavior in consumers of their products. This can include 7 the use of mechanisms such as offering randomized rewards for 8 purchases, lack of confirmation steps for purchases, creating social 9 10 pressure to compel purchasing behavior, and targeting consumers who 11 seek to stop using the product with additional advertisements and offers while creating barriers to eliminating accounts. Especially 12 when used in online games of chance that mimic casino games, these 13 techniques can cause significant psychological and financial harms, 14 15 including gambling addiction. In addition, these products are widely 16 available to children. The legislature further finds that few 17 meaningful protections exist for consumers, and that companies 18 creating, publishing, or hosting games on a platform have a 19 responsibility to protect players from harm. Furthermore, existing programs to protect consumers from these harms are largely voluntary. 20

p. 1 SB 6689

(2) The legislature further finds that ongoing technological advances in the online video game industry have produced an exponential growth in the volume and variety of personal data being generated, collected, stored, and analyzed. The legislature recognizes that consumers have the right to be secure against unreasonable, unexpected, or surreptitious data collection, surveillance, or behavior manipulation, and to not have their personal data shared or processed in unexpected or harmful ways, or in a manner that is inconsistent with the consumer's consent. Consumers have the right to know what personal data is used by algorithms to make decisions about and manipulate consumers.

1

2

3

4

5

7

8

9

10 11

15

1617

18

1920

2526

27

2829

30

31

- NEW SECTION. Sec. 2. The definition in this section applies throughout this chapter unless the context clearly requires otherwise.
 - "Casino-style video games" means video games that mimic the appearance or play of typical casino games including, but not limited to, slot machines or poker, which are games of chance, and which allow purchases within the game. "Casino-style video games" do not include games of skill or games that are completely free to play with no in-app purchases.
- NEW SECTION. Sec. 3. (1) The Washington state institute for public policy, in conjunction with the Washington state gambling commission, must conduct a study on the impacts of casino-style video games on consumers. The study, at minimum, must examine:
 - (a) The prevalence of casino-style video games used by consumers in Washington state;
 - (b) The prevalence of gambling addiction and other addictive behavior in consumers who use casino-style video games;
 - (c) Potential connections between casino-style video games and psychological harms including, but not limited to, gambling addiction and other addictive or compulsive behavior;
- 32 (d) The specific methods and techniques used in casino-style 33 video games to stimulate addictive behavior or overspending;
- 34 (e) The impact of casino-style video games on vulnerable 35 populations, including children; and
- 36 (f) Whether addictive behavior among consumers contributes to 37 profits for makers of casino-style video games.

p. 2 SB 6689

- 1 (2) By July 1, 2021, the Washington state institute for public policy must submit the results of the study required in subsection (1) of this section to the committees of the legislature with jurisdiction over gambling, consistent with the requirements of RCW 43.01.036.
 - (3) This section expires January 1, 2022.

6

1213

14

1516

17

18

1920

21

22

23

24

25

26

27

28

2930

31

32

33

- NEW SECTION. Sec. 4. Casino-style video games distributed within the state must:
- 9 (1) Include a confirmation step for any purchase, including 10 purchases within the game, which clearly states the cost in dollars 11 and cents;
 - (2) Allow players to request assistance with deletion of their account, and in the event of such a request, must provide a method, such as clicking a button, which will immediately delete the account and all forms of payment which may be recorded in the account. Players making such a request must not receive any personalized offers of additional play time or other inducements to continue playing;
 - (3) Allow players to request assistance with deletion of a payment method from their account, and in the event of such a request, must provide a method, such as clicking a button, which will immediately delete the payment method from the account;
 - (4) Allow players to request help with gambling addiction, and in the event of such a request, must provide information about governmental or nonprofit resources for treating gambling addiction. Players making such a request must not receive any personalized offers of additional play time or other inducements to continue playing;
 - (5) Allow players to request deletion of their personal data including, but not limited to, purchase history and any record of their actions within the game, and in the event of such a request, must provide a method, such as clicking a button, which will immediately delete the personal data; and
- 34 (6) Not contain restrictions in terms of service that impose 35 mandatory arbitration or otherwise prevent consumers from seeking 36 relief under any state or federal law.

p. 3 SB 6689

NEW SECTION. Sec. 5. (1) It is unlawful for any retailer to sell or offer to any person under twenty-one years of age a casinostyle video game that allows purchases within the game.

1

2

3

4

5

7

8

- (2) Any retailer selling, or offering for sale, a casino-style video game to any person must verify that the person is not under minimum 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
- 10 (b) For sales made through the internet or other remote sales
 11 methods, performing an age verification through an independent,
 12 third-party age verification service that compares information
 13 available from public records to the personal information entered by
 14 the person during the ordering process that establishes that the
 15 person is not a person under minimum legal age.
- <u>NEW SECTION.</u> **Sec. 6.** Video game companies that distribute video 16 games within the state that contain a system to purchase a randomized 17 18 reward must prominently disclose and publish to the consumer the probability rates of receiving each possible outcome of the 19 20 randomized reward at the time any mechanism to receive a randomized 21 reward is activated but prior to completion of the purchase of a randomized reward or credits or in-game currency, which may be used 22 23 to purchase a randomized reward at a future time, 24 meaningfully inform the consumer's decision prior to the purchase.
- NEW SECTION. Sec. 7. Any terms of service or other agreement between a video game company and consumer that waives the provisions of this chapter is void and unenforceable.
- NEW SECTION. Sec. 8. This chapter supplements, and does not supersede, existing law and procedures relating to video games.

 Compliance with this chapter does not authorize or allow any game that might otherwise be regarded as illegal or out of compliance with any other law.
- NEW SECTION. Sec. 9. The legislature finds that the practices covered by this chapter are matters vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW. A violation of this chapter is not reasonable in

p. 4 SB 6689

- 1 relation to the development and preservation of business and is an
- 2 unfair or deceptive act in trade or commerce and an unfair method of
- 3 competition for the purpose of applying the consumer protection act,
- 4 chapter 19.86 RCW.
- 5 <u>NEW SECTION.</u> **Sec. 10.** Sections 1 through 9 of this act
- 6 constitute a new chapter in Title 19 RCW.

--- END ---

p. 5 SB 6689