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**HOUSE BILL 1681**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Representatives Stearns, Lekanoff, Davis, Leavitt, Reeves, Pollet, and Orwall

Read first time 01/31/23. Referred to Committee on Regulated Substances & Gaming.

1 AN ACT Relating to problem gambling; amending RCW 41.05.750,  
2 67.70.340, 82.04.285, 82.04.286, and 9.46.071; creating a new  
3 section; providing an effective date; and declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

6 (a) The costs to society of problem gambling and gambling  
7 disorder include family disintegration, criminal activity, and  
8 financial insolvencies;

9 (b) Individuals experiencing problem gambling and gambling  
10 disorder are at significantly increased risks for other co-occurring  
11 disorders, including substance use disorder and mental health issues  
12 such as depression, anxiety, or other behavioral health concerns;

13 (c) Residents of Washington may participate in a variety of legal  
14 gambling activities such as the state-run lottery, tribal gaming by  
15 federally recognized tribes, and by commercially operated businesses  
16 and nonprofit organizations;

17 (d) A 2021 prevalence study found that among all adults, 1.5  
18 percent are at a moderate-to-severe risk for developing a gambling  
19 disorder, and among adults who gamble, 3.5 percent are at a moderate-  
20 to-severe risk of a gambling disorder;

1 (e) The 2022 problem gambling task force final report, delivered  
2 to the legislature in December 2022, determined there are critical  
3 gaps in providing state-funded comprehensive problem gambling  
4 services to Washington residents, including:

5 (i) Prevention efforts not coordinated with other behavioral  
6 health and substance abuse prevention initiatives;

7 (ii) Problem gambling treatment coverage is not available across  
8 the state; and

9 (iii) No state-supported residential treatment services are  
10 available in Washington state.

11 (2) The legislature intends to provide long-term, dedicated  
12 funding for prevention, public awareness efforts, and education  
13 regarding problem gambling disorder, clinical training, workforce  
14 development, and accessible treatment services for individuals  
15 impacted by problem gambling or gambling disorders as well as after-  
16 care support.

17 **Sec. 2.** RCW 41.05.750 and 2018 c 201 s 2004 are each amended to  
18 read as follows:

19 (1) A program for (a) the prevention and treatment of problem  
20 ~~((and pathological))~~ gambling and gambling disorder; and (b) the  
21 support, certification, and training of professionals in the  
22 identification and treatment of problem ~~((and pathological))~~ gambling  
23 and gambling disorder is established within the authority ~~((, to be~~  
24 ~~administered by a qualified person who has training and experience in~~  
25 ~~problem gambling or the organization and administration of treatment~~  
26 ~~services for persons suffering from problem gambling)).~~ The  
27 department of health may license or certify ~~((and the))~~ behavioral  
28 health agencies for problem gambling treatment. The authority may  
29 contract ~~((with treatment facilities))~~ for any services provided  
30 under the program. The authority shall ~~((track))~~ conduct a program  
31 evaluation, including tracking program participation and ~~((client))~~  
32 evaluating outcomes.

33 (2) To receive treatment under subsection (1) of this section, a  
34 person must:

35 (a) Need treatment for problem ~~((or pathological))~~ gambling or  
36 gambling disorder, or ~~((because of the problem or pathological~~  
37 ~~gambling of a family member, but be unable to afford treatment))~~ be  
38 impacted by a loved one experiencing problem gambling or gambling  
39 disorder; and

1 (b) Be (~~targeted~~) identified by the authority as being most  
2 amenable to and likely to benefit from treatment.

3 (3) Treatment under this section is available only to the extent  
4 of the funds appropriated or otherwise made available to the  
5 authority for this purpose. The authority may solicit and accept for  
6 use any gift of money or property made by will or otherwise, and any  
7 grant of money, services, or property from the federal government,  
8 any tribal government, the state, or any political subdivision  
9 thereof or any private source, and do all things necessary to  
10 cooperate with the federal government or any of its agencies or any  
11 tribal government in making an application for any grant.

12 (4) (a) The authority shall establish and facilitate an ongoing  
13 advisory committee (~~to assist it in designing, managing, and~~  
14 ~~evaluating the effectiveness of the program established in this~~  
15 ~~section. The advisory committee shall give due consideration in the~~  
16 ~~design and management of the program that persons who hold licenses~~  
17 ~~or contracts issued by the gambling commission, horse racing~~  
18 ~~commission, and lottery commission are not excluded from, or~~  
19 ~~discouraged from, applying to participate in the program. The~~  
20 ~~committee shall include, at a minimum, persons knowledgeable in the~~  
21 ~~field of problem and pathological gambling and persons representing~~  
22 ~~tribal gambling, privately owned nontribal gambling, and the state~~  
23 ~~lottery.~~

24 ~~(5) For purposes of this section, "pathological gambling" is a~~  
25 ~~mental disorder characterized by loss of control over gambling,~~  
26 ~~progression in preoccupation with gambling and in obtaining money to~~  
27 ~~gamble, and continuation of gambling despite adverse consequences.~~  
28 ~~"Problem gambling" is an earlier stage of pathological gambling which~~  
29 ~~compromises, disrupts, or damages family or personal relationships or~~  
30 ~~vocational pursuits)) that will hold quarterly meetings to:~~

31 (i) Track progress of recommendations from the 2022 legislative  
32 problem gambling task force final report;

33 (ii) Provide advice and feedback on the state problem gambling  
34 program upon request by the authority; and

35 (iii) Discuss emerging issues related to problem gambling and  
36 identify possible strategies for improvement.

37 (b) The advisory committee membership must include, at a minimum,  
38 at least one representative from each of the following:

39 (i) The Washington state gambling commission;

40 (ii) The Washington state lottery commission;

1 (iii) The Washington state horse racing commission;  
2 (iv) The Washington state health care authority;  
3 (v) The tribal gambling industry;  
4 (vi) The commercial gambling industry;  
5 (vii) The gambling counselor certification committee;  
6 (viii) A nonprofit problem gambling organization; and  
7 (ix) The recovery community including at least one member with  
8 lived experience of problem gambling.

9 **Sec. 3.** RCW 67.70.340 and 2012 1st sp.s. c 10 s 6 are each  
10 amended to read as follows:

11 (1) The legislature recognizes that creating a shared game  
12 lottery could result in less revenue being raised by the existing  
13 state lottery ticket sales. The legislature further recognizes that  
14 the fund most impacted by this potential event is the Washington  
15 opportunity pathways account. Therefore, it is the intent of the  
16 legislature to use some of the proceeds from the shared game lottery  
17 to make up the difference that the potential state lottery revenue  
18 loss would have on the Washington opportunity pathways account. The  
19 legislature further intends to use some of the proceeds from the  
20 shared game lottery to fund programs and services related to problem  
21 ~~((and pathological))~~ gambling and gambling disorder.

22 (2) The Washington opportunity pathways account is expected to  
23 receive ~~((one hundred two million dollars))~~ \$102,000,000 annually  
24 from state lottery games other than the shared game lottery. For  
25 fiscal year 2011 and thereafter, if the amount of lottery revenues  
26 earmarked for the Washington opportunity pathways account is less  
27 than ~~((one hundred two million dollars))~~ \$102,000,000, the  
28 commission, after making the transfer required under subsection (3)  
29 of this section, must transfer sufficient moneys from revenues  
30 derived from the shared game lottery into the Washington opportunity  
31 pathways account to bring the total revenue up to ~~((one hundred two~~  
32 ~~million dollars))~~ \$102,000,000.

33 (3) (a) The commission shall transfer, from revenue derived from  
34 the shared game lottery, to the problem gambling account created in  
35 RCW ~~((43.20A.892))~~ 41.05.751, an amount equal to the percentage  
36 specified in (b) of this subsection of net receipts. For purposes of  
37 this subsection, "net receipts" means the difference between (i)  
38 revenue received from the sale of lottery tickets or shares and

1 revenue received from the sale of shared game lottery tickets or  
2 shares; and (ii) the sum of payments made to winners.

3 (b) In fiscal year (~~(2006)~~) 2024, the percentage to be  
4 transferred to the problem gambling account is (~~(one-tenth of one)~~)  
5 0.20 percent. In fiscal year (~~(2007)~~) 2025 and subsequent fiscal  
6 years, the percentage to be transferred to the problem gambling  
7 account is (~~(thirteen one-hundredths of one)~~) 0.26 percent.

8 (4) The commission shall transfer the remaining net revenues, if  
9 any, derived from the shared game lottery "Powerball" authorized in  
10 RCW 67.70.044(1) after the transfers pursuant to this section into  
11 the state general fund for support for the program of basic education  
12 under RCW 28A.150.200.

13 (5) The remaining net revenues, if any, in the shared game  
14 lottery account after the transfers pursuant to this section shall be  
15 deposited into the Washington opportunity pathways account.

16 **Sec. 4.** RCW 82.04.285 and 2014 c 97 s 303 are each amended to  
17 read as follows:

18 (1) Upon every person engaging within this state in the business  
19 of operating contests of chance; as to such persons, the amount of  
20 tax with respect to the business of operating contests of chance is  
21 equal to the gross income of the business derived from contests of  
22 chance multiplied by the rate of 1.5 percent.

23 (2) An additional tax is imposed on those persons subject to tax  
24 in subsection (1) of this section. The amount of the additional tax  
25 with respect to the business of operating contests of chance is equal  
26 to the gross income of the business derived from contests of chance  
27 multiplied by the rate of (~~(0.1)~~) 0.2 percent through June 30,  
28 (~~(2006)~~) 2024, and (~~(0.13)~~) 0.26 percent thereafter. The money  
29 collected under this subsection (2) shall be deposited in the problem  
30 gambling account created in RCW (~~(43.20A.892)~~) 41.05.751. This  
31 subsection does not apply to businesses operating contests of chance  
32 when the gross income from the operation of contests of chance is  
33 less than (~~(fifty thousand dollars)~~) \$50,000 per year.

34 (3) (a) For the purpose of this section, "contests of chance"  
35 means any contests, games, gaming schemes, or gaming devices, other  
36 than the state lottery as defined in RCW 67.70.010, in which the  
37 outcome depends in a material degree upon an element of chance,  
38 notwithstanding that skill of the contestants may also be a factor in

1 the outcome. The term includes social card games, bingo, raffle, and  
2 punchboard games, and pull-tabs as defined in chapter 9.46 RCW.

3 (b) The term does not include: (i) Race meet for the conduct of  
4 which a license must be secured from the Washington horse racing  
5 commission, (ii) "amusement game" as defined in RCW 9.46.0201, or  
6 (iii) any activity that is not subject to regulation by the gambling  
7 commission.

8 (4) "Gross income of the business" does not include the monetary  
9 value or actual cost of any prizes that are awarded, amounts paid to  
10 players for winning wagers, accrual of prizes for progressive jackpot  
11 contests, or repayment of amounts used to seed guaranteed progressive  
12 jackpot prizes.

13 **Sec. 5.** RCW 82.04.286 and 2005 c 369 s 6 are each amended to  
14 read as follows:

15 (1) Upon every person engaging within this state in the business  
16 of conducting race meets for the conduct of which a license must be  
17 secured from the Washington horse racing commission; as to such  
18 persons, the amount of tax with respect to the business of parimutuel  
19 wagering is equal to the gross income of the business derived from  
20 parimutuel wagering multiplied by the rate of (~~(0.1)~~) 0.2 percent  
21 through June 30, (~~(2006)~~) 2024, and (~~(0.13)~~) 0.26 percent thereafter.  
22 The money collected under this section shall be deposited in the  
23 problem gambling account created in RCW (~~(43.20A.892)~~) 41.05.751.

24 (2) For purposes of this section, "gross income of the business"  
25 does not include amounts paid to players for winning wagers, or taxes  
26 imposed or other distributions required under chapter 67.16 RCW.

27 (3) The tax imposed under this section is in addition to any tax  
28 imposed under chapter 67.16 RCW.

29 **Sec. 6.** RCW 9.46.071 and 2019 c 213 s 1 are each amended to read  
30 as follows:

31 (1) (~~(a)~~) The legislature recognizes that some individuals in  
32 this state (~~(have a gambling problem or)~~) are negatively impacted by  
33 problem gambling and gambling disorder. Because the state promotes  
34 and regulates gambling through the activities of the state lottery  
35 commission, the Washington horse racing commission, and the  
36 Washington state gambling commission, the state has the  
37 responsibility to continue to provide resources for the support of  
38 (~~(services for)~~) problem gambling (~~(and gambling disorders.~~

1       ~~(b) The~~) services. Therefore, the Washington state gambling  
2 commission, the Washington horse racing commission, and the state  
3 lottery commission shall ~~((jointly develop))~~ maintain placement of  
4 problem gambling and gambling disorder informational signs which  
5 include a toll-free ~~((hotline))~~ helpline number for ~~((individuals~~  
6 ~~with a gambling problem or))~~ problem gambling and gambling disorder.  
7 The signs shall be placed in the establishments of gambling  
8 licensees, horse racing licensees, and lottery retailers.

9       ~~((e))~~ The Washington state gambling commission, the Washington  
10 horse racing commission, and the state lottery commission may also  
11 contract with other qualified entities to provide public awareness,  
12 training, and other services to ensure the intent of this section is  
13 fulfilled.

14       ~~((d))~~ (2) Individuals and families impacted by ~~((a gambling))~~  
15 problem gambling or gambling disorder will benefit from the  
16 availability of a uniform self-exclusion program where people may  
17 voluntarily exclude themselves from gambling at multiple gambling  
18 establishments by submitting one self-exclusion form to the state  
19 from one location for all gambling activities. Therefore, the  
20 Washington state gambling commission must establish a statewide self-  
21 exclusion program for all licensees. The commission has discretion in  
22 establishing the scope, process, and requirements of the self-  
23 exclusion program, including denying, suspending, or revoking an  
24 application, license, or permit. However, the initial program must  
25 comply with the following minimum requirements:

26       ~~((i))~~ (a) The program must allow persons to voluntarily exclude  
27 themselves from gambling at authorized gambling establishments that  
28 offer house-banked social card games;

29       ~~((ii))~~ (b) The program must have a process for federally  
30 recognized Indian tribes or tribal enterprises that own gambling  
31 operations or facilities with class III gaming compacts to  
32 voluntarily participate in the self-exclusion program;

33       ~~((iii))~~ (c)(i) Any individual registered with the self-  
34 exclusion program created under this section is prohibited from  
35 participating in gambling activities associated with this program and  
36 forfeits all moneys and things of value obtained by the individual or  
37 owed to the individual by an authorized gambling establishment as a  
38 result of prohibited wagers or gambling activities. The commission  
39 may adopt rules for the forfeiture of any moneys or things of value,  
40 including wagers, obtained by an authorized gambling establishment

1 while an individual is registered with the self-exclusion program  
2 created under this section.

3 (ii) Moneys and things of value forfeited under the self-  
4 exclusion program must be distributed to the problem gambling account  
5 created in RCW 41.05.751 and/or a charitable or nonprofit  
6 organization that provides problem gambling services or increases  
7 awareness about problem gambling pursuant to rules adopted by the  
8 commission; and

9 ~~((iv))~~ (d) The commission must adopt rules establishing the  
10 self-exclusion program by June 30, 2021.

11 ~~((e))~~ (3) An individual who participates in the self-exclusion  
12 program does not have a cause of action against the state of  
13 Washington, the commission, or any gambling establishment, its  
14 employees, or officers for any acts or omissions in processing or  
15 enforcing the requirements of the self-exclusion program, including a  
16 failure to prevent an individual from gambling at an authorized  
17 gambling establishment.

18 ~~((f))~~ (4) Any personal information collected, stored, or  
19 accessed under the self-exclusion program may only be used for the  
20 administration of the self-exclusion program and may not be  
21 disseminated for any purpose other than the administration of the  
22 self-exclusion program.

23 ~~((2))~~ (5)(a) During any period in which RCW 82.04.285(2) is in  
24 effect, the commission may not increase fees payable by licensees  
25 under its jurisdiction for the purpose of funding services for  
26 problem gambling and gambling disorder. Any fee imposed or increased  
27 by the commission, for the purpose of funding these services, before  
28 July 1, 2005, has no force and effect after July 1, 2005.

29 (b) During any period in which RCW 82.04.285(2) is not in effect:

30 (i) The commission, the Washington state horse racing commission,  
31 and the state lottery commission may contract for services, in  
32 addition to those authorized in subsection (1) of this section, to  
33 assist in providing for problem gambling and gambling disorder  
34 treatment; and

35 (ii) The commission may increase fees payable by licensees under  
36 its jurisdiction for the purpose of funding the problem gambling and  
37 gambling disorder services authorized in this section.

38 NEW SECTION. **Sec. 7.** If any provision of this act or its  
39 application to any person or circumstance is held invalid, the



1 remainder of the act or the application of the provision to other  
2 persons or circumstances is not affected.

3 NEW SECTION. **Sec. 8.** 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 July 1, 2023.

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