

SENATE BILL REPORT

SB 6103

As Passed Senate, February 5, 2010

Title: An act relating to the definition of gambling.

Brief Description: Modifying the definition of gambling.

Sponsors: Senator Prentice.

Brief History:

Committee Activity: Ways & Means: 3/02/09 [DP, DNP, w/oRec].
Passed Senate: 3/09/09, 38-10; 2/05/10, 35-13.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Fairley, Hobbs, Keiser, Kline, Kohl-Welles, McDermott, Murray, Oemig, Parlette, Pridemore, Regala, Rockefeller and Schoesler.

Minority Report: Do not pass.

Signed by Senator Hewitt.

Minority Report: That it be referred without recommendation.

Signed by Senator Carrell.

Staff: Dianne Criswell (786-7433)

Background: In 1973 the Gambling Act was enacted to regulate and limit the nature and scope of gambling activities for the purposes of keeping the criminal element out of gambling and promoting the social welfare of the people. The definition of "gambling" is provided in statute and means, in general, to risk something of value upon the outcome of a contest of chance and an agreement that a person will receive something of value in the event of a certain outcome.

Since the Gambling Act was enacted in 1973, it was a gross misdemeanor to knowingly send or receive by telephone, telegraph, radio, semaphore, or similar means any wagers or any other information intended to be used for professional gambling. The Gambling Act does not

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apply to parimutuel wagering authorized by the Horse Racing Commission or the selling or purchasing of tickets or shares in the State Lottery.

In 2006 the Legislature expressly included internet and telecommunications systems as prohibited methods of transmitting or receiving wagers or other gambling information. The penalty for knowingly engaging in such illegal transmission or receipt was increased from a gross misdemeanor to a Class C felony.

Summary of Bill: The definition of "gambling" is clarified to include conditional or unconditional stakes or risks upon the outcome of a contest of chance or a future contingent event not under the person's control or influence, upon an agreement or understanding which may be either conditional or unconditional, that the person or someone else will or may receive something of value in the event of a certain outcome.

Appropriation: None.

Fiscal Note: Available.

[OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: This is an emergent situation because of last month's Court of Appeals, Division II split-panel decision, published as a slip opinion in which the court held that because an internet betting exchange did not require its customers to pay their losses, the business was not engaged in illegal professional gambling.

Persons Testifying: PRO: Senator Prentice, prime sponsor; Amy Hunter, Washington State Gambling Commission.