

SENATE BILL REPORT

SB 5634

As of February 5, 2023

Title: An act relating to problem gambling.

Brief Description: Concerning problem gambling.

Sponsors: Senators Conway, Keiser, Hasegawa, Nguyen, Nobles and Stanford.

Brief History:

Committee Activity: Business, Financial Services, Gaming & Trade: 2/07/23.

Brief Summary of Bill

- Establishes the Advisory Committee on Problem Gambling to be an on-going entity that meets on a quarterly basis.
- Increases the rates of transfers and taxes into the Problem Gambling Account.

SENATE COMMITTEE ON BUSINESS, FINANCIAL SERVICES, GAMING & TRADE

Staff: Clinton McCarthy (786-7319)

Background: The Problem and Pathological Gambling Treatment Program. In 2005, the Problem and Pathological Gambling Program (Program) within the Department of Social and Health Services (DSHS) was revised. The Program was expanded at that time to cover:

- prevention, as well as the treatment, of problem and pathological gambling;
- training professionals to identify and treat problem and pathological gambling; and
- treatment of family members of problem or pathological gamblers who are unable to afford treatment, and are targeted by the DSHS as most amenable to treatment.

DSHS must establish an advisory committee to assist in designing, managing, and

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evaluating the Program's effectiveness. Committee members must include, at least, persons knowledgeable in the field of problem and pathological gambling and persons representing tribal gambling, privately owned non-tribal gambling, and the Washington State Lottery.

The program was transferred to the Health Care Authority (HCA) in 2018.

Funding for the Problem and Pathological Gambling Treatment Program. Since fiscal year 2007, the Lottery Commission has transferred 0.13 percent of net receipts into the Problem Gambling Account. A business and occupation tax was imposed on persons engaging in the business of operating contests of chance such as social card games, bingo, raffles, punchboard games, and pull-tabs, but not state lottery games or amusement games, or conducting horse races. Since fiscal year 2007, the amount of tax is 0.13 percent of a business's gross income derived from contests of chance.

Washington State Adult Problem Gambling Prevalence Study. In 2019, the Legislature provided funding to the Washington State Gambling Commission to facilitate the Joint Legislative Problem Gambling Task Force to review existing outreach prevention, and treatment resources for problem gambling and gambling disorder.

In 2021, the Legislature provided \$500,000 to HCA to study the prevalence of problem gambling among adults in Washington State. The prevalence study reviewed both statewide and regional results about beliefs and attitudes toward gambling, gambling behavior and preferences, and awareness of treatment services. The study also includes an estimate of the level of risk for problem gambling and examines correlations with broader behavioral and mental health measures. The study made a number of recommendations to the Legislature, including:

- improve availability and access to all levels of treatment and recovery support services;
- integrate problem gambling information into clinical behavioral health curriculum; and
- increase state funding for the state problem gambling program.

Summary of Bill: Advisory Committee on Problem Gambling. The Advisory Committee on Problem Gambling is established as an on-going entity that will hold quarterly meetings to:

- track progress of recommendations from the 2022 Legislative Problem Gambling Task Force final report;
- provide advice and feedback to HCA; and
- discuss emerging issues related to problem gambling and strategies to address those issues.

Membership of the advisory committee must include at least one representative from:

- the Gambling Commission;
- the Lottery Commission;

- the Horseracing Commission;
- HCA;
- the tribal gambling industry;
- the commercial gambling industry;
- the gambling counselor certification committee;
- a non-profit problem gambling organization; and
- the recovery community including at least one member with lived experience in problem gambling.

Increasing the Rate on the Transfer of Funds from the Lottery to the Problem Gambling Account. The percentage of revenues from the lottery transferred to the Problem Gambling Account is increased from 0.3 percent to 0.2 percent beginning fiscal year 2024. The percentage increases from 0.2 percent to 0.26 percent beginning fiscal year 2025.

Increasing the Rate of Taxes on Games of Chance and Horse Racing for Deposit in the Problem Gambling Account. The rate used to multiply against gross income derived from contests of chance and parimutuel wagering is increased from 0.13 to 0.2 percent through June 30, 2024, and 0.26 thereafter.

Appropriation: None.

Fiscal Note: Requested on February 3, 2023.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.