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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To declare the existence of an emergency with respect to the need to clarify and provide clear guidelines pertaining to the payment of sales tax revenues, that revenues paid to the District may be disclosed by the Office of the Chief Financial Officer to the public, to clarify the deadlines for which manufacturers, distributors, and retailers of game of skill machines must come into compliance with District law, the qualifications for game of skill machine distributors, and the licensing process for new models or types of games of skill machines.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Revised Game of Skill Machines Consumer Protections Emergency Declaration Amendment Act of 2020”.

Sec. 2. (a) The Council first passed Bill 23-0590, the Games of Skill Consumer Protection Emergency Amendment Act of 2019 enacted on February 27, 2020 (D.C. Act 23-0229; 67 DCR 2503) (emergency act”), to legalize a new category of gaming devices that were seeking to operate in on-premises alcohol retailers. Under this legislation, the Alcoholic Beverage Control Board (Board) would authorize a licensed establishment to host the game of skill.

(b) On July 28, 2020, the Council for the District of Columbia passed the Fiscal Year 2021 Budget Support Emergency Amendment Act of 2020 (D.C. Act 23-404; 67 DCR 10098)

36 (“BSA”), which among other things, legalized game of skill machines on an emergency basis,
37 effective October 1, 2020.

38 (c) The BSA measure established a more comprehensive games of skill regulatory
39 structure managed by the Office of Lottery and Gaming (OLG) and authorized OLG to issue
40 rules to regulate games of skill, prohibit, suspend, or revoke any license for applicants, and
41 directed any license fees to be deposited into OLG’s Lottery, Gambling, and Gaming Fund.

42 (d) This emergency clarifies enforcement procedures, definitions, taxes and revenue, and
43 applicability dates. Specifically, the emergency legislation established a 10% sales tax for the
44 games of skill machines, however it was unclear who was responsible for paying the sales tax to
45 the District. Clarifying this it is imperative, particularly in light of the dire financial impact the
46 Coronavirus Pandemic has had on the District’s revenues. Similarly, the emergency legislation
47 did not address whether the Office of the Chief Financial Officer, the administrator of the
48 program, would be permitted to disclose the revenues that it receives. For FOIA purposes and
49 reporting purposes, clarification was necessary.

50 (e) Furthermore, the emergency legislation created a Supplier’s License and guidelines
51 pertaining thereto. The more appropriate type of license is a Distributor’s License, which
52 comports with industry standards. In order to ensure the proper licenses are issued and in
53 accordance with industry standards, immediate clarification is warranted. These modifications
54 are necessary for games of skill to be appropriately and timely regulated.

55 Sec. 3. The Council of the District of Columbia determines that the circumstances
56 enumerated in section 2 constitute emergency circumstances making it necessary that the
57 Revised Games of Skill Consumer Protection Emergency Act of 2020 be adopted after a single
58 reading.

59 Sec. 4. This resolution shall take effect immediately.

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