

A RESOLUTION

23-550

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

October 6, 2020

To declare the existence of an emergency with respect to the need to clarify the guidelines pertaining to tax revenue from games of skill and that the revenue may be disclosed by the Office of the Chief Financial Officer to the public, the deadlines for which manufacturers, distributors, that 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.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Revised Game of Skill Machines Consumer Protections Emergency Declaration Resolution of 2020”.

Sec. 2. (a) The Council passed the Games of Skill Consumer Protection Emergency Amendment Act of 2020, effective February 27, 2020 (D.C. Act 23-229; 67 DCR 2503) (emergency act”), to legalize a new category of gaming devices for operation by on-premises alcohol retailers. Under the emergency act, the Alcoholic Beverage Control Board would authorize a licensed establishment to host a game of skill.

(b) On July 28, 2020, the Council passed the Game of Skill Machines Consumer Protect Emergency Amendment Act of 2020, enacted on August 19, 2020 (D.C. Act 23-404; 67 DCR 10098) (“BSA measure”), which among other things, legalized game of skill machines on an emergency basis, effective October 1, 2020.

(c) The BSA measure established a more comprehensive games of skill regulatory structure to be managed by the Office of Lottery and Gaming (“OLG”) and authorized OLG to issue rules to regulate games of skill, prohibit, suspend, or revoke any license of a licensee, and directed that license fees to be deposited into the Lottery, Gambling, and Gaming Fund.

(d) The current emergency legislation clarifies enforcement procedures, definitions, taxes and revenue, and applicability dates. The BSA measure established a 10% tax for the games of skill machines; however, it was unclear who was responsible for paying the tax to the District. Clarifying this is imperative, particularly in light of the dire financial impact the Coronavirus pandemic has had on District revenue. Similarly, the BSA measure did not address whether the

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Office of the Chief Financial Officer, the administrator of the program, would be permitted to disclose the revenue that it receives. For FOIA and reporting purposes, clarification is necessary.

(e) Furthermore, the BSA measure created a supplier's license and established guidelines pertaining to this license. The more appropriate type of license has been determined to be a distributor's license, which comports with industry standards. To ensure that the proper licenses are issued and in accordance with industry standards, immediate clarification is warranted.

(f) These necessary modifications need to be enacted as expeditiously as possible for games of skill to be appropriately and timely regulated.

Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the Revised Game of Skill Machines Consumer Protections Emergency Amendment Act of 2020 be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.