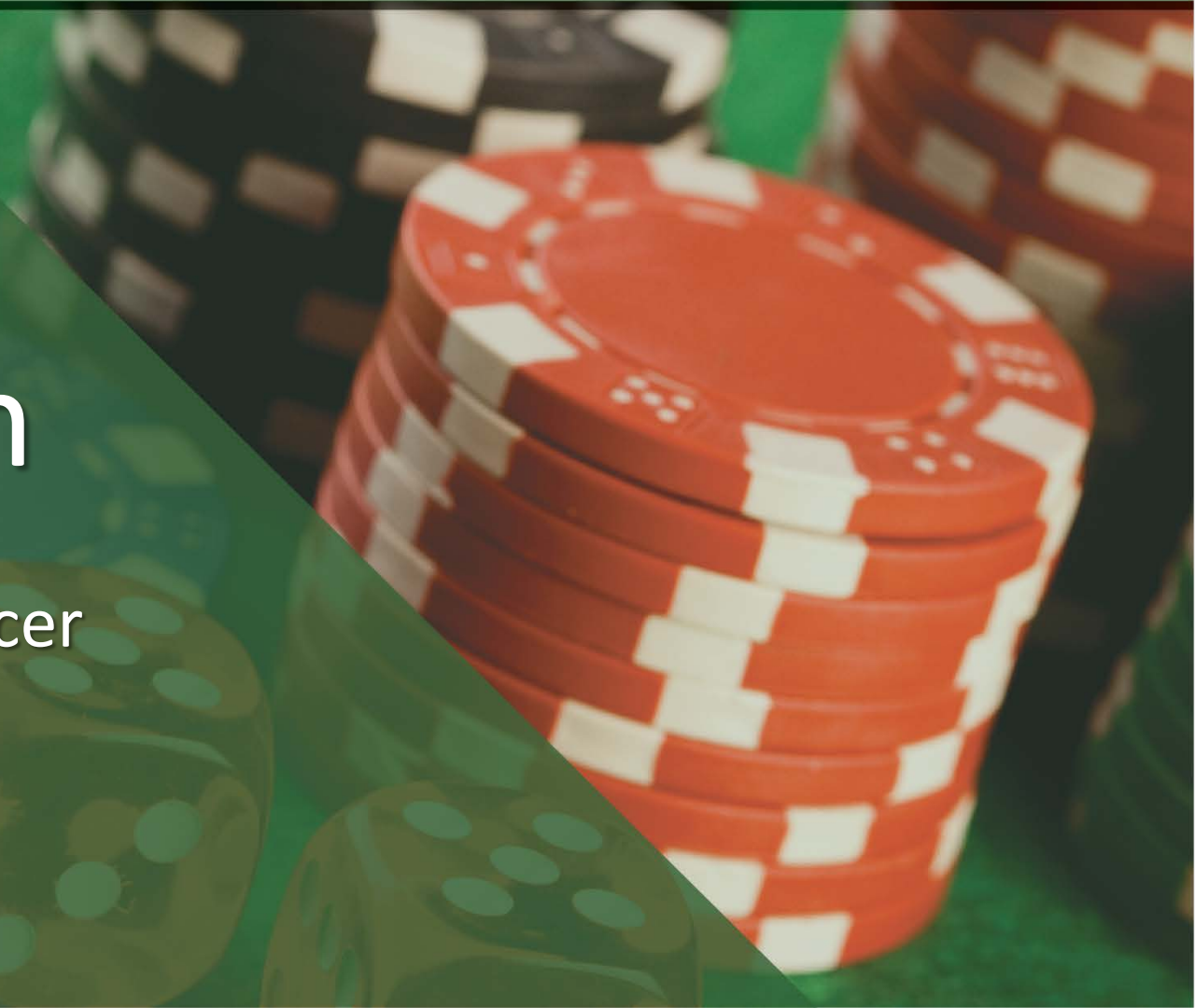




Fee Simplification

September 14, 2017

Mike Kashmar, Chief Financial Officer



Agenda

1. What is Fee Simplification?
2. Why are we simplifying fees?
3. When will we implement?
4. How will it work?
5. How are we communicating with licensees?

What is 'Fee Simplification?'

Replaces class structure: 190+ fees reduced to a handful

Fees due at end of quarter, based on actual gross receipts

Eliminates need for licensees to estimate future receipts

Eliminates collection of revenue associated with ID stamps

One fee for individuals: New license or renewal; in-state or out-of-state

Punchboards/Pulltabs: *Current* Schedule

License	Annual GGR	Fee	One-Time Variance
Class A	<i>Up to</i> \$50,000	\$666	\$5,000
Class B	<i>Up to</i> \$100,000	\$1,190	\$5,000
Class C	<i>Up to</i> \$200,000	\$2,244	\$10,000
Class D	<i>Up to</i> \$300,000	\$3,266	\$10,000
Class E	<i>Up to</i> \$400,000	\$4,220	\$10,000
Class F	<i>Up to</i> \$500,000	\$5,094	\$10,000
Class G	<i>Up to</i> \$600,000	\$5,904	\$10,000
Class H	<i>Up to</i> \$700,000	\$6,664	\$10,000
Class I	<i>Up to</i> \$800,000	\$7,320	\$10,000
Class J	<i>Up to</i> \$1,000,000	\$8,302	\$20,000
Class K	<i>Up to</i> \$1,250,000	\$9,214	\$25,000

License	Annual GGR	Fee	One-Time Variance
Class L	<i>Up to</i> \$1,500,000	\$10,064	\$25,000
Class M	<i>Up to</i> \$1,750,000	\$10,766	\$25,000
Class N	<i>Up to</i> \$2,000,000	\$11,402	\$25,000
Class O	<i>Up to</i> \$2,500,000	\$12,530	\$30,000
Class P	<i>Up to</i> \$3,000,000	\$12,952	\$35,000
Class Q	<i>Up to</i> \$4,000,000	\$15,264	\$40,000
Class R	<i>Up to</i> \$5,000,000	\$17,344	\$50,000
Class S	<i>Up to</i> \$6,000,000	\$19,658	\$60,000
Class T	<i>Up to</i> \$7,000,000	\$21,972	\$70,000
Class U	<i>Up to</i> \$8,000,000	\$24,282	\$80,000
Class V	<i>Over</i> \$8,000,000	\$26,596	\$80,000

Punchboards/Pulltabs: *New Schedule*

License	Base Fee	Max. Annual Fee	Rate
PB/PT	\$700	\$13,000	1.43%

Why are we simplifying fees?

Reduces number of fee classes, making it simpler for licensees, staff

Eliminates need for licensees to estimate future gambling receipts

Rates better reflect agency regulatory resources for each activity

Allows licensees to calculate, pay fees through My Account

Adequately funds the agency

Quarterly collections = more predictable cash flow

Implementation Date: July 1, 2018

SEP 17 OCT 17 NOV 17 DEC 17 JAN 18 FEB 18 MAR 18 APR 18 MAY 18 JUN 18 JUL 18

OUTREACH TO LICENSEES

CONSULTATION
W/TRIBAL
LEADERS

FILE RULES 1

FORMS & PROCESSES

FILE RULES 2

VOTE RULES 1

VOTE RULES 2

FILE RULES 3

ONGOING EDUCATION (thru Oct 19)

VOTE RULES 3

REPORTING (thru Oct 19)

How will fee simplification work?

Licensees pay base fee at time of licensure or renewal

Licensees submit quarterly report via My Account:

- Gross gambling receipts

- Fee calculation

- Payment of quarterly fee

Quarterly fees = schedule rate x gross gambling receipts

MyAccount will assist with calculation

Example: Commercial PB/PT

	Q1 30-OCT-18	Q2 30-JAN-19	Q3 30-APR-19	Q4 30-JUL-19
Current Quarter GGR	\$60,000	\$35,000	\$25,000	\$30,000
Rate	0.0143	0.0143	0.0143	0.0143
Calculated Fee	\$858	\$501	\$358	\$429
Less: Base Fee*	(\$700)	-	-	-
Quarterly Fee Owed	\$158	\$501	\$358	\$429
Cumulative Fee Paid	\$858	\$1,359	\$1,716	\$2,145

*Base fee due 30-JUN-18

Communication Methods

Questions and Comments:

Email: feeworkgroup@wsgc.wa.gov

Phone: 360-486-3588

Updates and FAQs:

wsgc.wa.gov/license-fee

 WAGamblingCommission

 WAGambling

