



WASHINGTON STATE
**GAMBLING
COMMISSION**

Budget update

February 8, 2024

Presented by:

Kriscinda Hansen, CFO

Overview of 2023 license fee discussion

First tribal consultation and stakeholder meetings

- Generate revenue sufficient for 23-25 biennium expenditures
- License fee increases: 10% base fee / 10% quarterly rate / 60% maximum annual license fee

Second tribal consultation and stakeholder meetings

- Generate revenue sufficient for fiscal year 24 (July 1, 2023 – June 30, 2024)
- License fee increases: 10% base fee / 6% quarterly rate / 60% maximum annual license fee
- Revisit license fees for fiscal year 25



2023 license fee change rollout

Assumptions

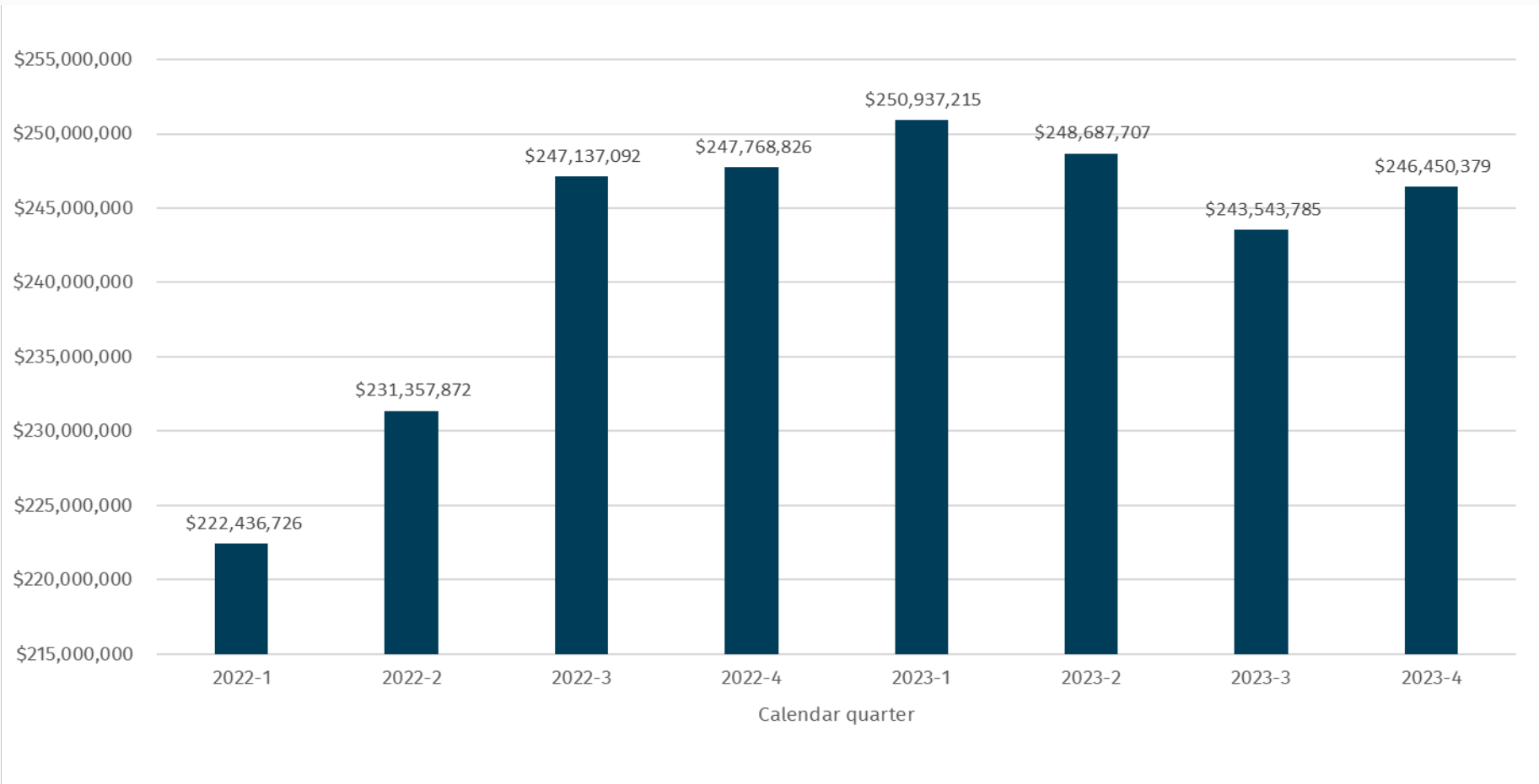
- 3% increase in gross gambling receipts (based on historical year-over-year growth rate)
- Increase would result in \$2 million in additional revenue
- Use available fund balance to supplement revenue / expenditure gap

Changes effective June 30, 2023

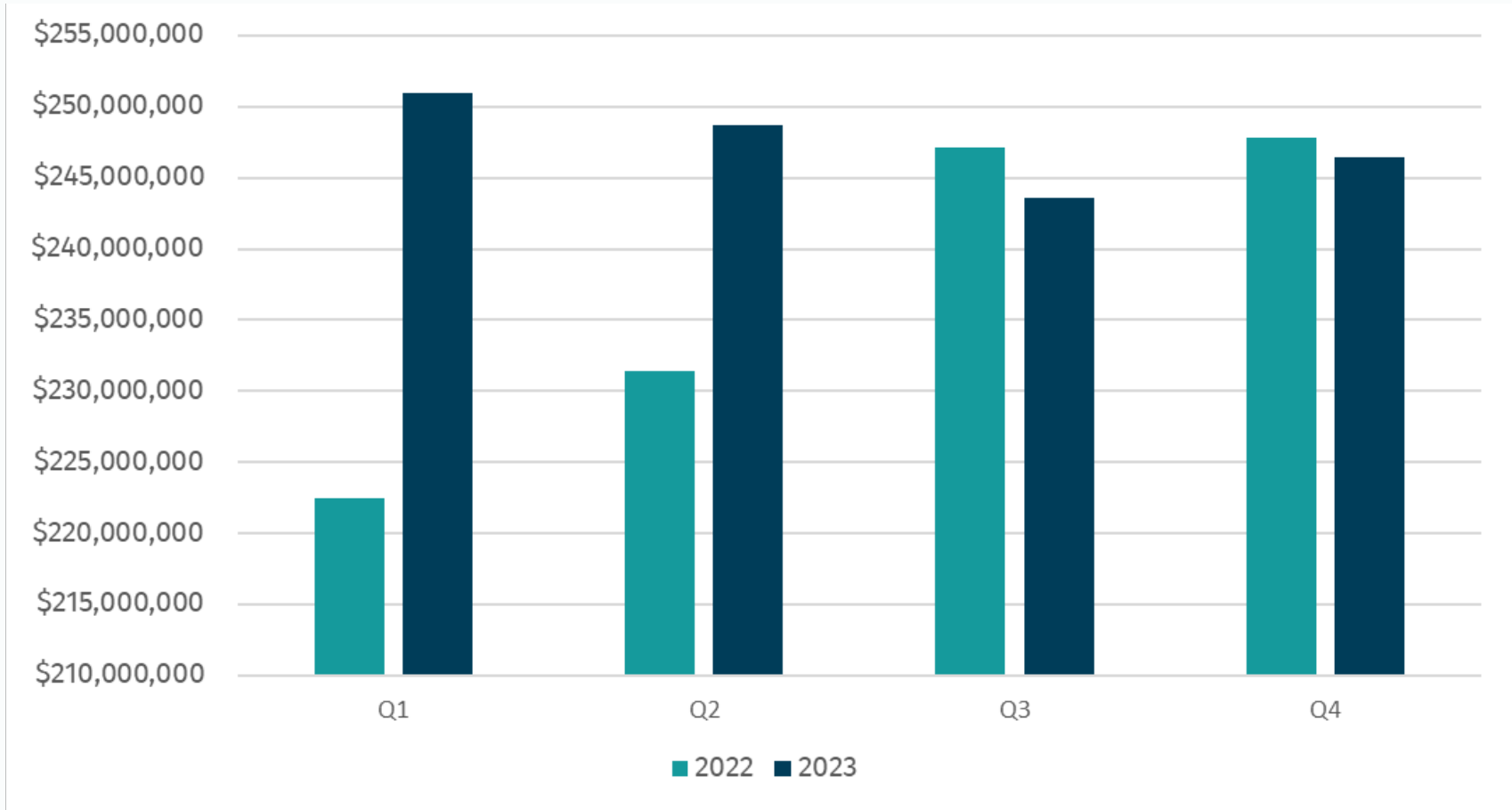
Renewal date (new base rate in effect)	Percentage of licenses renewing this quarter	First date new quarterly rate applies
July 1	31.4%	October 1, 2023
October 1	21.6%	January 1, 2024
January 1	22.7%	April 1, 2024
April 1	24.3%	July 1, 2024



Gross gambling receipts reported over time



Gross gambling receipts reported over time, continued



WSGC revenue summary

FY24, through January 31

Total Revenue by Category	Allotted	Actual	Variance
Total Estimated revenue	11,736,856		
Activity Licenses - Commercial		4,281,521	
Activity Licenses - Non-Profit		877,550	
Individual Licenses		1,822,964	
Vendor Licenses and fees		726,236	
Sports Wagering (Vendors and Reps)		410,328	
Expected revenue subtotal		8,118,599	
Tribal Reimbursement		1,614,392	
Other Sources (unexpected)		211,386	
Total	11,736,856	9,944,377	(1,792,479)



Projection information

- Assumptions

- Revenue estimate is based on July 23 – Dec 23 revenue, averaged
- Expenditures through 2024-2 are what was approved in current budget
- FY25 estimates are approved budget plus governor's budget (\$800,000), plus 2% increase of non-personnel costs
- 2025-2 includes additional \$500,000 for software license renewal

- Challenges

- Rolling implementation with THREE variables: new base, new rate, new maximum fee
- Accounting for licensees that pay old maximum fee because they are partially through their filing year
- Estimating gross gambling receipts using historical data



Projected available fund balance



Potential fee change timeline

CR-102 approved for filing	Final action	Effective date (no later than)	First quarter new rates effective	First QLF due date with new rate
June 2024 (special meeting)	August 8, 2024	Sept 30, 2024	2024-4 (FY25 Q2)	Jan 31, 2025
Sept 12, 2024	Nov 14, 2024	Dec 31, 2024	2025-1 (FY25 Q3)	April 30, 2025



Questions

Kriscinda Hansen, Chief Financial Officer

