



Staff Proposed Rule Making

New, Amended, and/or Repealed Rules to Align Organizational License

Expiration Dates in:

WAC Chapter 230-03 Permitting and Licensing Rules and

WAC Chapter 230-05 Fees

WAC Chapter 230-06 Rule for all licensees

May 2024 – Initiate Rule Making

<p>Tab 8: May 2024 Commission Meeting Agenda.</p>	<p>Statutory Authority 9.46.070</p>
<p>Who Proposed the Rule Change?</p>	
<p>Washington State Gambling Commission Staff</p>	
<p>Background</p>	
<p>RCW 9.46.070(1) – (4) authorizes the Commission to issue licenses for a period not to exceed one year to:</p> <ul style="list-style-type: none"> • a bona fide charitable or nonprofit organization, • an organization operating a business primarily engaged in the selling of food or drink for consumption on the premises, • an organization operating or conducting amusement games, and • organizations engaged in the manufacturing, selling, distributing, or supplying of devices, equipment, software, hardware, or any gambling related service set fees to generate funds necessary to cover all costs of regulation, licensing, and enforcement. <p>Currently, organizational licenses expire at the end of a quarter, depending on when their license was initially approved. In June 2023, the Commission adjusted annual license fees for charitable and nonprofit organizations, commercial stimulant organizations, and for other businesses. This was the first time the license fees had been adjusted since being implemented in 2018. Licensees began paying the adjusted license fees when they renewed their license.</p> <p>Because of the quarterly expiration of organizational licenses, it took nine months before all organizational licensees began paying the adjusted license fees. More importantly, it currently takes 13 months from the implementation of the rule change for all licensees to be subject to the adjusted Gross Gambling Receipts Rate and 22 months (April 30, 2025) to receive a full year of revenue from the adjusted rates. This makes it extremely challenging to forecast cash flow and collect adjusted license fees in a timely manner.</p> <p>Staff are proposing that we initiate rulemaking to align all organizational license expiration dates to June 30th. This will aid in revenue forecasting as well as simplify implementation and communication to licensees when adjusting license fees in the future.</p> <p>Rulemaking would take the form of amending existing rules and/or adding additional rules to WAC chapters 230-03, 230-05, and/or 230-06.</p>	
<p>Staff Recommendation</p>	
<p>Staff recommends initiating rulemaking to align organizational license expiration dates.</p>	