



# PREPROPOSAL STATEMENT OF INQUIRY

## CR-101 (October 2017) (Implements RCW 34.05.310)

Do NOT use for expedited rule making

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DATE: May 14, 2024

TIME: 11:40 AM

WSR 24-11-067

**Agency:** Washington State Gambling Commission

**Subject of possible rule making:** Expiration date for organization licenses.

**Statutes authorizing the agency to adopt rules on this subject:** RCW 9.46.070

**Reasons why rules on this subject may be needed and what they might accomplish:** RCW 9.46.070 authorizes the Commission to issue licenses for a period not to exceed one year to certain organizations. Currently, those licenses expire at the end of a quarter, depending on when their license was initially approved. However, this caused some difficulties when the Commission adjusted annual license fees in June 2023. Because of the quarterly expiration of organizational licenses, it took nine months before all organizational licensees began paying the adjusted license fees. Additionally, 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 lengthy process creates extreme challenges in forecasting cash flow and collecting adjusted license fees in a timely manner.

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. 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.

**Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:** None

**Process for developing new rule (check all that apply):**

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe) Regular rule making


**Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting:**

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(If necessary)

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Additional comments:

<b>Date:</b> May 14, 2024	<b>Signature:</b> 
<b>Name:</b> Adam Amorine	
<b>Title:</b> Legal Manager and Rules Coordinator	