

SENATE BILL REPORT

SB 6441

As Reported By Senate Committee On:
Labor, Commerce, Research & Development, January 31, 2008

Title: An act relating to fees for gambling activities regulated by the Washington state gambling commission.

Brief Description: Regarding Washington state gambling commission revenue actions.

Sponsors: Senator Prentice; by request of Gambling Commission.

Brief History:

Committee Activity: Labor, Commerce, Research & Development: 1/29/08, 1/31/08[w/oRec-WM, w/oRec].

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Staff: Kathleen Buchli (786-7488)

Background: State law authorizes the Gambling Commission (Commission) to establish a schedule of annual license fees for carrying on specific gambling activities. The fees must cover all costs incurred by the Commission relative to its licensing and enforcement activities.

Summary of Bill: Fee increases and new fees authorized by the Commission for fiscal years 2008 and 2009 are approved. These include licensing fees for business change of location, change of business classification, change in license class fee, change in corporate stock/limited liability corporation shares/units. Also included are increases in current identification and inspection stamp fees, and the manufacturer annual license fee. The Commission may establish an additional fee to cover the costs of reviewing company information for publicly traded companies that are licensed or hold an ownership interest in a licensee, and may establish a new individual license fee for corporate/limited liability company officers who are not already licensed. Other Commission fees may be increased once in fiscal years 2008 and 2009.

Appropriation: None.

Fiscal Note: Available.

[OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Staff Summary of Public Testimony: PRO: This bill comes at the request of the Gambling Commission and is here because of budget issues relating to I-601 and I-960. Under state law, the Gambling Commission is supposed to charge fees in an amount necessary to cover operating expenses. Because of I-601 and I-960, the commission has not been able to raise all fees in amounts needed to cover the costs of doing business. Without this bill, the commission will have to reduce its staff and this will likely be mostly in law enforcement positions. The new license fees will bring increases to revenue and will allow more regulation of these licensees.

CON: These fee increases come at a time when licensees are experiencing declining revenues. An enforcement reduction may be appropriate because a staff reduction would coincide with declining revenue; there may be too much regulation and control and many of the licensees have their own security.

Persons Testifying: PRO: Senator Prentice, prime sponsor; Rick Day, Washington State Gambling Commission.

CON: Dolores Chiechi, Recreational Gaming Association.