

# Multiple Agency Fiscal Note Summary

**Bill Number:** 2173HB

**Title:** Authorizing the state lottery to participate in shared games.

## Estimated Cash Receipts

Agency Name	2001-03		2003-05		2005-07	
	GF-State	Total	GF-State	Total	GF-State	Total
State Lottery	Indeterminate					
<b>Total:</b>	0	0	0	0	0	0
Local Gov. Courts*						
Local Gov. Other**						
Local Gov. Total						

## Estimated Expenditures

Agency Name	2001-03			2003-05			2005-07		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
State Lottery	Indeterminate								
Superintendent of Public Instruction	Fiscal note not available								
<b>Total:</b>	.0	0	0	.0	0	0	.0	0	0
Local Gov. Courts*									
Local Gov. Other**									
Local Gov. Total									

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**Phone:**

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Preliminary 2/26/2001

\* See Office of the Administrator for the Courts judicial fiscal note

\*\* See local government fiscal note

# IndividualStateAgencyFiscalNote

<b>BillNumber:</b> 2173HB	<b>Title:</b> Authorizingthestatelotterytoparticipatein sharedgames.	<b>Agency:</b> 116-StateLottery Commission
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## PartI:Estimates

☐ NoFiscalImpact

### EstimatedCashReceiptsto:

IndeterminateImpact
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### EstimatedExpendituresfrom:

IndeterminateImpact
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Thecashreceiptsandexpenditureestimatesonthispagerepresentthemostlikelyfiscalimpact.Factorsimpactingtheprecisionoftheseestimates, andalternateranges(ifappropriate),areexplainedinPartII.

Checkapplicableboxesandfollowcorrespondinginstructions:

- ☒ Iffiscalimpactisgreaterthan\$50,000perfiscalyearinthecurrentbienniumorinsubsequentbiennia,completeentirefiscalnote formPartsI-V.
- ☐ Iffiscalimpactislessthan\$50,000perfiscalyearinthecurrentbienniumorinsubsequentbiennia,completethispageonly(PartI).
- ☐ Capitalbudgetimpact,completePartIV.
- ☐ Requiresnewrulemaking,completePartV.

LegislativeContact:	Phone:	Date: 02/26/2001
AgencyPreparation: LynMatson	Phone: 360-664-4804	Date: 02/26/2001
AgencyApproval: BobBenson	Phone: 360-664-4800	Date: 02/26/2001
OFMReview: TristanWise	Phone: 360-902-0546	Date: 02/26/2001

PartII:NarrativeExplanation

II.A-BriefDescriptionOfWhatTheMeasureDoesThatHasFiscalImpact

Brieflydescribe,bysectionnumber,thesignificantprovisionsofthebill,andanyrelatedworkloadorpolicyassumptions,thathaverevenueor expenditureimpactontherespondingagency.

HouseBill2173addsanewsectiontochapter67.70RCWenablingtheWashingtonstatelegislaturetoauthorizethe Washingtonstatelotterycommissions totakeactionsnecessarytoparticipatewithotherstatelotteriesinsharedgames anddedicatesthenetprofittotheCommonSchoolConstructionFund.

II.B-CashreceiptsImpact

Brieflydescribeandquantifythecashreceiptsimpactofthelegislationontherespondingagency,identifyingthecashreceiptsprovisionsbysection numberandwhenappropriate detailoftherevenuesources.Brieflydescribethefactualbasisoftheassumptionsandthemethodbywhichthe cashreceipts impactisderived.Explainhowworkloadassumptionstranslateintoestimates.Distinguishbetweenonetimeandongoingfunctions.

BeginningFy2003theLotterymayjoinwithotherlotteriesinamultistategame.Estimatedrangeforcashreceiptsare asfollows:

FundFy20032001-03 2003-52005-7

113-1CommonSchoolConstructionFund  
22centspercapita(conservative)5,000,0005,000,00010,000,00010,000,000  
31centspercapita(optimistic)11,000,00011,000,00022,000,00022,000,000

577-6StateLotteryAccount(Netrevenueincludescannibalizationofon-linegames)  
22centspercapita(conservative)31,700,00031,700,00063,400,00063,400,000  
31centspercapita(optimistic)51,400,00051,400,000102,800,000102,800,000

NetsalescomeintoFund577-6StateLotteryAccountandnetporifitisdistributedto113-1CommonSchoolConstruction Fund.

BothofthepercapitaestimatesarefortheBIGGAME(amultistateon-linegamethatprovidedthebestnumbersto date).

22centspercapitawasarrivedatbyfactoringthe27centsaveragepercapitaofmultistategamessalesinotherstates downwardby28% toreflectthelowerpercapitalotterysalesinwesternstates.Thisnumberisadjustedupwardby20% totakeintoaccountadditionalcrossborderssalesfromthe5millionpeoplewithinanhourdriveofWashington's boardersandnotcountedaspartofWashington's5.8millionspopulation

31centspercapita isbasedontheamountforecastedbytheBIGGAME,oneofthetwomulti-jurisdictionconsortium, forthesegames.

II.C-Expenditures

Brieflydescribetheagencyexpendituresnecessarytoimplementthislegislation(orsavingsresultingfromthislegislation),identifyingbysection numbertheprovisionsofthelegislationthatresultintheexpenditures(orsavings).Brieflydescribethefactualbasisoftheassumptionsandthe methodbywhichtheexpenditure impactisderived.Explainhowworkloadassumptionstranslateintocostestimates.Distinguishbetweenonetime andongoingfunctions.

EstimatedExpenditures-

Allexpendituresarecalculatedoncostpercentbycategoryofprojectedsales.Allnumbershavebeenrounded

FundFy20032001-03 2003-52005-7

577-6StateLotteryAccount  
22centspercapita26,700,00026,700,00053,400,00053,400,000  
31centspercapita40,400,00040,400,00080,800,00080,800,000

Thefollowingareprizepayout,retailercommissions,costofgoodssoldexpenditures:  
ExpendituresbyObject

C-PersonalServiceContracts(Pointofsaleandconsumerawareness)  
22centspercapita(conservative)800,000800,0001,600,0001,600,000  
31centspercapita(optimistic)800,000800,0001,600,0001,600,000

E-Goods&Services(Retailercommissions,vendorexpenditures)  
22centspercapita(conservative)3,100,0003,100,0006,200,0006,200,000  
31centspercapita(optimistic)4,600,0004,600,0009,200,0009,200,000

N-Grants,Benefits,&ClientServices(Prizes)  
22centspercapita(conservative)22,800,00022,800,00045,600,00045,600,000  
31centspercapita(optimistic)35,000,00035,000,00070,000,00070,000,000

Total22centspercapita(conservative)26,700,00026,700,00053,400,00053,400,000  
Total31centspercapita(optimistic)40,400,00040,400,00080,800,00080,800,000

ThisdatasatisfiesPartIII:Expendituredetail.

**PartIII:ExpenditureDetail**

**PartIV:CapitalBudgetImpact**

**PartV:NewRuleMakingRequired**

*Identifyprovisionsofthemeasurethatrequiretheagencytoadoptnewadministrativerulesorrepeal/reviseexistingrules.*

**Washington State Lottery**  
**SB 2173 New Game Revenue Projections**

	Base Revenue		New Game \$0.31 per capita & Cannibalization		Adjusted Revenue \$0.31 per capita	New Game \$0.22 per capita & Cannibalization		Adjusted Revenue \$0.22 per capita
<b><u>Fy2003 Revenue</u></b>								
Scratch	283,835,000	57.16%			283,835,000			283,835,000
Daily Game	18,870,000	3.80%			18,870,000			18,870,000
Lotto	125,354,000	25.25%	(28,800,000)	-23.0%	96,554,000	(25,050,000)	-20.0%	100,304,000
Quinto	37,800,000	7.61%	(10,950,000)	-29.0%	26,850,000	(7,550,000)	-20.0%	30,250,000
Daily Keno	9,690,000	1.95%			9,690,000			9,690,000
Lucky for Life	21,000,000	4.23%	(2,856,000)	-13.6%	18,144,000	(2,100,000)	-10.0%	18,900,000
Big Game			94,000,000		94,000,000	66,400,000		66,400,000
<b>Total Fy2003</b>	<b>496,549,000</b>	<b>100.00%</b>	<b>51,394,000</b>		<b>547,943,000</b>	<b>31,700,000</b>		<b>528,249,000</b>
<b><u>Fy2004 Revenue</u></b>								
Scratch	286,674,000	57.41%			286,674,000			286,674,000
Daily Game	18,870,000	3.78%			18,870,000			18,870,000
Lotto	125,354,000	25.10%	(28,800,000)	-23.0%	96,554,000	(25,050,000)	-20.0%	100,304,000
Quinto	37,800,000	7.57%	(10,950,000)	-29.0%	26,850,000	(7,550,000)	-20.0%	30,250,000
Daily Keno	9,690,000	1.94%			9,690,000			9,690,000
Lucky for Life	21,000,000	4.21%	(2,856,000)	-13.6%	18,144,000	(2,100,000)	-10.0%	18,900,000
Big Game			94,000,000		94,000,000	66,400,000		66,400,000
<b>Total Fy2004</b>	<b>499,388,000</b>	<b>100.00%</b>	<b>51,394,000</b>		<b>550,782,000</b>	<b>31,700,000</b>		<b>531,088,000</b>
<b><u>Fy2005 Revenue</u></b>								
Scratch	288,107,000	57.53%			288,107,000			288,107,000
Daily Game	18,870,000	3.77%			18,870,000			18,870,000
Lotto	125,354,000	25.03%	(28,800,000)	-23.0%	96,554,000	(25,050,000)	-20.0%	100,304,000
Quinto	37,800,000	7.55%	(10,950,000)	-29.0%	26,850,000	(7,550,000)	-20.0%	30,250,000
Daily Keno	9,690,000	1.93%			9,690,000			9,690,000
Lucky for Life	21,000,000	4.19%	(2,856,000)	-13.6%	18,144,000	(2,100,000)	-10.0%	18,900,000
Big Game			94,000,000		94,000,000	66,400,000		66,400,000
<b>Total Fy2005</b>	<b>500,821,000</b>	<b>100.00%</b>	<b>51,394,000</b>		<b>552,215,000</b>	<b>31,700,000</b>		<b>532,521,000</b>
<b>Total 2003-05 Biennium</b>	<b>1,000,209,000</b>		<b>102,788,000</b>		<b>1,102,997,000</b>	<b>63,400,000</b>		<b>1,063,609,000</b>
<b>Total 2005-07 Biennium</b>	<b>1,001,642,000</b>		<b>102,788,000</b>		<b>1,104,430,000</b>	<b>63,400,000</b>		<b>1,065,042,000</b>
Prizes, retailer commissions, vendor, consumer awareness, and point of sale expenses detailed in the fiscal note reflect the net increase in revenue expected from the new game after cannibalization.								