

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1302 S HB	<b>Title:</b> Gambling self-exclusion
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## Estimated Cash Receipts

Agency Name	2019-21		2021-23		2023-25	
	GF- State	Total	GF- State	Total	GF- State	Total
State Lottery	0	(105,000)	0	0	0	0
Washington State Gambling Commission	Non-zero but indeterminate cost and/or savings. Please see discussion.					
<b>Total \$</b>	<b>0</b>	<b>(105,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Estimated Operating Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
State Lottery	.0	0	105,000	.0	0	0	.0	0	0
Washington State Gambling Commission	.2	0	48,539	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.2</b>	<b>0</b>	<b>153,539</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
State Lottery	.0	0	0	.0	0	0	.0	0	0
Washington State Gambling Commission	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Breakout

NONE

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

\*\* See local government fiscal note

FNPID: 55762

FNS029 Multi Agency rollup

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1302 S HB	<b>Title:</b> Gambling self-exclusion	<b>Agency:</b> 116-State Lottery
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## Part I: Estimates

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No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2020	FY 2021	2019-21	2021-23	2023-25
WA Opportunity Pathways Account-State 17f-1		(105,000)	(105,000)		
<b>Total \$</b>		(105,000)	(105,000)		

### Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
<b>Account</b>					
State Lottery Account-Non-Appropriated 577-6	0	105,000	105,000	0	0
<b>Total \$</b>	0	105,000	105,000	0	0

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

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If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐

If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☒

Requires new rule making, complete Part V.

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## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Section 3, subsection (5) amends RCW 67.70.040 and instructs the Lottery to adopt rules to establish a program allowing a person to voluntarily exclude themselves from lottery activities such as the lottery's player loyalty or reward programs, second chance lottery promotions; and from claiming or receiving any monetary, promotional, or merchandise prize valued at more than six hundred dollars. Monetary prizes attempted to be claimed by excluded players would be transferred to the problem gambling account created in RCW 41.05.751 after payment of any debts pursuant to RCW 67.70.255. Promotional and merchandise prizes valued at more than six hundred dollars would be retained by the Lottery.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

One time expenditures within the state lottery account (Fund 577) of \$105,000 within FY2021 will reduce contributions to the Washington opportunity pathways account by that same amount.

Contributions from the Lottery to the problem gambling account (Fund 08K) for prizes retained under this self-exclusion program are indeterminate. Participation in the program may be low – North Carolina currently has 213 participants in their lottery self-exclusion program. In addition, because individuals will have agreed to the terms of the self-exclusion program, they are not likely to attempt to claim a prize. In that case, the unclaimed prize will be treated like any other unclaimed prize.

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

Lottery's central gaming system would require design and code changes to restrict self-excluded players from collecting winnings over \$600. Approximately \$30,000 would be required to enable the claim system to cross check a database of excluded players and flag the claim. The system would then assign the claim to be paid to the problem gambling account.

Self-exclusion is currently not offered as a feature of our mobile application. The Lottery's vendor would be required to design, and program self-exclusion into the mobile application, and interface with our payment and second chance game systems. This onetime cost within the non-appropriated state lottery account (577) is estimated at \$75,000.

There is an anticipated workload to synchronize information between the central gaming system and the mobile application. This workload is estimated at approximately one tenth of one FTE but will be performed by Lottery staff within their existing duties.

The bill will require rulemaking to implement the self-exclusion program. Rulemaking activities will be performed by Lottery staff within their existing duties.

Multiple forms of information and communications will be necessary to educate the public about the self-exclusion program. These activities will be undertaken via our existing advertising and marketing vendor

contracts.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
577-6	State Lottery Account	Non-Appropriated	0	105,000	105,000	0	0
Total \$			0	105,000	105,000	0	0

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services		105,000	105,000		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	105,000	105,000	0	0

Part IV: Capital Budget Impact

NONE

No impact.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Section 3, subsection (5) requires the Lottery to adopt rules implementing the self-exclusion program by June 30, 2021. Rules will be developed using a collaborative process with interested agencies and stakeholders.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1302 S HB	<b>Title:</b> Gambling self-exclusion	<b>Agency:</b> 117-Washington State Gambling Commission
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

### Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.3	0.1	0.2	0.0	0.0
<b>Account</b>					
Gambling Revolving Account-Non-Appropriated 884-6	35,745	12,794	48,539	0	0
<b>Total \$</b>	35,745	12,794	48,539	0	0

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

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## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Section 1, subsection (1) (d) amends RCW 9.46.071 to establish a uniform self-exclusion program to assist people in preventing or ending problem or pathological gambling behaviors. This program is intended to allow a person to submit one self-exclusion form to the state from one location and includes a process for federally recognized Indian tribes or tribal enterprises to voluntarily participate.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

Section 1, subsection (1)(d)(iii) directs that monies/winnings gambled by persons registered on the self-exclusion list to be forfeited to the state Problem Gambling Account created in RCW 41.05.751 and/or a charitable or nonprofit organization that provides problem gambling services or increases awareness about problem gambling pursuant to rules adopted by the Commission. This account is controlled by the Health Care Authority and not the Gambling Commission.

The monies directed and received by the Problem Gambling Account is likely zero for this biennium since the Gambling Commission may take until the June 30, 2021 deadline to adopt rules and implement this program. Once the program is created and implemented at this time or earlier, the amount received in the Problem Gambling Account is indeterminate because it is unknown how many persons will be registered initially, the percentage of registered persons who will be caught gambling while registered in the program, and the amounts that will be forfeited to the Problem Gambling Account by those registered with the program.

The average of active participants in Arizona, Kansas, New Mexico, and Oklahoma's self-exclusion programs is approximately 1440 people. We would expect that Washington State's program would need to be active for at least 2-3 years before we reach 500-1000 people in the program since most other state's programs have been in existence for several years. Depending on the triggering event (winnings, jackpot, point-of-sale, entry into facility) identified to check a person's identification against the self-exclusion list, the amount that can be forfeited is fluid and could range from \$0 - \$50,000 or more per event. The number of times per year monies are forfeited to the state or a nonprofit is also fluid, but could range from 5 -100 instances for an annual amount to the Problem Gambling Account of \$0 - \$20,000 initially with the possibility this amount could grow annually depending on the number of people enrolled in the program and the amounts won by those persons participating in the program.

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

Total cost would be indeterminate, but less than \$50,000, covering at least the following three areas:

(1) We expect the self-exclusion program to require approximately 0.3 Information Technology Specialist FTE to develop, implement, and test a new database. This will require interfacing with self-excluding persons and licensees during the development process as well as resolving user problems after implementation.

(2) The Communications Consultant will develop and deliver educational materials about the program to the

public, licensees, and Tribal co-regulators.

(3) The bill will also require the agency to engage in extensive, and possibly prolonged, rulemaking to form and implement the program, but the agency anticipates that it will absorb the rulemaking costs.

The agency will likely have indeterminate costs once the program is operational, and the costs may be more than \$50,000 annually once the rule is in effect should the Commission decide the program will have an electronic/online component for licensee, Tribal operators, and/or persons wishing to register for this program. There also will likely be additional indeterminate regulatory costs for enforcing the new rules and program requirements and guidelines, including placement of signage and regulatory checks on licensees that they are following the newly adopted regulations for the program.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
884-6	Gambling Revolving Account	Non-Appropriated	35,745	12,794	48,539	0	0
Total \$			35,745	12,794	48,539	0	0

### III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.3	0.1	0.2		
A-Salaries and Wages	25,032	9,000	34,032		
B-Employee Benefits	8,511	3,060	11,571		
C-Professional Service Contracts					
E-Goods and Other Services	1,968	656	2,624		
G-Travel	234	78	312		
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	35,745	12,794	48,539	0	0

### III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2020	FY 2021	2019-21	2021-23	2023-25
COMMUNICATIONS CONSULTANT 4	70,320	0.1		0.1		
IT SPECIALIST 5	90,000	0.2	0.1	0.2		
Total FTEs		0.3	0.1	0.2		0.0

## Part IV: Capital Budget Impact

NONE

## Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

This legislation requires the agency to create and implement a self-exclusion program through agency rule-making. Section 1, subsection (1) (d) (iv) requires the Commission to adopt rules establishing a self-exclusion program by June 30, 2021.