

# House Bill 2786

*Funding education, health and human services, and public safety by authorizing and regulating electronic scratch ticket machines for house-banked card rooms.*

<p><b>What the Measure does...</b></p>	<ul style="list-style-type: none"> <li>• Authorizes the <b>same</b> electronic scratch ticket machines currently operated only by tribal casinos for <b>existing</b> house-banked card rooms.</li> <li>• <b>Limits</b> non-tribal machines to a maximum of <b>7,875 statewide</b> in currently licensed, regulated, operating house-banked card rooms with at least five table games (<b>63</b>).</li> <li>• Future licensees must be in operation for at least 5 years to qualify.</li> </ul>
<p><b>Revenue Estimates...</b></p> <p><i>Based on economic study by Gaming Marketing Associates, an independent firm specializing in gaming revenue projections</i></p>	<ul style="list-style-type: none"> <li>• State Lottery Commission retains <b>35%</b> of net win, returns <b>65%</b> to card rooms as <b>agent compensation</b>. Proceeds to be deposited in restricted account.</li> <li>• <b>\$ 380 million</b> per biennium at full operation. Distributed as follows:             <ul style="list-style-type: none"> <li>- 5% to <b>local jurisdictions</b> with card rooms      <b>\$ 19.0 million</b></li> <li>- 2% to Gambling/Lottery Commission              \$ 7.6 million</li> <li>- 0.5 % to Problem Gambling programs              \$ 1.9 million</li> </ul> </li> <li>• The remaining proceeds are mandated to be allocated to:             <ul style="list-style-type: none"> <li>- 50% to <b>K-12 Education</b>                              <b>\$ 175.75 million</b></li> <li>- 30% to <b>Health and Human Services</b>              <b>\$ 105.45 million</b></li> <li>- 20% to <b>Public Safety</b>                                  <b>\$ 70.3 million</b></li> </ul> </li> </ul>
<p><b>Tribal Impacts...</b></p>	<ul style="list-style-type: none"> <li>• Estimated <b>9% of market share</b> on machine gaming.</li> <li>• Less than what tribes have under <b>revenue sharing</b> agreements in other states.</li> <li>• Tribes retain competitive advantage on machines by a 3-1 ratio</li> </ul>
<p><b>Jobs and economic benefits...</b></p>	<ul style="list-style-type: none"> <li>• At its peak in 2005, the card room industry (100 card rooms) employed over <b>10,000</b> people, the same number as the Boeing Renton Plant.</li> <li>• <b>Living wage jobs</b> with tips amounting to 2 and 3 times minimum wage.</li> <li>• Millions of dollars in goods and services purchased in state.</li> <li>• Current decline (63 card rooms) due to competitive disadvantages including the smoking ban and rising minimum wage rates.</li> </ul>
<p><b>Public Support...</b></p> <p><i>Statewide voter opinion poll by independent researcher Elway Research in February 2011</i></p>	<ul style="list-style-type: none"> <li>• More than <b>62% of voters</b> statewide support authorizing electronic machines for house-banked card rooms.</li> <li>• When those philosophically opposed to gambling in general (14% of the sample) are factored out the support rises to <b>74%</b>.</li> <li>• <b>Limiting the footprint</b> of non-tribal machines to existing gambling venues raises overall support to <b>69%</b>.</li> <li>• State and local <b>revenue</b> and economic benefits raised support to <b>64%</b>.</li> </ul>