

**Machines could raise \$380 million, gambling group says**

The Associated Press • Published March 16, 2011

OLYMPIA – A study by the Recreational Gambling Association released today estimates that Washington could gain up to \$380 million per biennium in taxes by allowing "scratch-ticket" machines at non-tribal casinos.

Under current state law, electronic gaming machines are only permitted at tribal casinos. The association says that expanding the availability of what it calls electronic scratch machines could raise more than \$150 million next year if the machines are installed at established banked card rooms around the state.

The group's proposal includes installing 125 machines at each of 63 established card rooms and a 30 percent privilege tax on all winnings, to be collected by the state.

Some lawmakers in Olympia have expressed interest in pursuing this option as a way to bring in revenue to the state's cash-strapped budget, but no bill has been filed yet

# In the News...

**RGA Media Coverage  
March 2011**



**Wash. Non-Tribal Casinos Renew Push For Video Slot Machines**

by AUSTIN JENKINS March 15, 2011

OLYMPIA, Wash. – Washington lawmakers expect to get more bad news this Thursday when the new state revenue forecast comes out. If the budget shortfall grows, pressure will intensify to find new sources of tax dollars to offset some of the cuts. Maybe gambling. That's what owners of the state's non-tribal casinos are betting on. They're ready with a proposal to allow video slot machines in off-reservation mini-casinos – something they say will benefit the state's coffers.

...Chris Kealy: "This revenue source is real, it's about \$190 million a year that's available to the state coffers and that \$190 million can fund things the state would rather not cut."

The RGA wants the legislature to allow an average of 125 electronic gaming devices in each of the roughly 60 remaining non-tribal casinos in Washington. And tax them at a 35-percent rate. Under the proposal, only card rooms that have been in business for five years...

[www.npr.org/templates/story/story.php?storyId=134576918](http://www.npr.org/templates/story/story.php?storyId=134576918))

# The Seattle Times

## State revenue projection just got \$698 million worse

By **Andrew Garber** *Seattle Times Olympia bureau March 17, 2011*

OLYMPIA — Projected tax collections are down. The budget shortfall is bigger. And the prospect of lawmakers reaching quick agreement on a solution is even dimmer.

...(however).. Gregoire left the door open to ideas such as expanding gambling or privatizing the wholesaling portion of the state liquor system.

"I don't think you can take anything off the table right now," she said. "I think it's very clear I don't like gambling. But I'm not going to remove gambling. I'm not going to remove liquor. I'm looking at every proposal that's been brought forward to see if it's real and what the unintended consequences of it might be."

State Sen. Joe Zarelli, the ranking Republican on the Senate Ways and Means Committee, also said he might be open to certain gambling or liquor proposals as a way to increase revenue

## Gambling expansion proposed to bring in more tax revenue

Posted by **Andrew Garber**

The Recreational Gaming Association of Washington, a trade group that represents non-tribal card rooms, is pitching an expansion of gambling as a way to bring in millions of dollars in new revenue for the state. The group wants lawmakers to [allow electronic gaming machines in card rooms](#)...(Seattle Times, March 17, 2011)



Ken Schramm discussed the electronic gaming issue and interviewed RGA president Chris Kealy on March 18th and March 25<sup>th</sup>.

Copies of the recorded segments as mp3 or wav files are available from the RGA:  
Dolores@rga-wa.org

## **Gaming groups dangle \$380M video-slots proposal** **Brad Shannon: The Politics Blog**

Voters thrashed a Tim Eyman-led initiative that would have expanded gambling in restaurants, bars and other venues. That was 2004. This is now.

With a big budget chasm threatening to yawn wider with tomorrow's revenue forecast, The Recreational Gaming Association is back with a new video-slot machine proposal, and RGA says it could deliver \$190 million a year to the state coffers.

The proposal would let about 63 house-banked card rooms or "mini-casinos" install electronic or video slot machines like those now allowed only for tribal casinos, according to RGA executive director Dolores Chiechi.

Past efforts by the RGA have failed to elicit legislative support but drew tribal opposition. The state Gambling Commission says 28 of the state's 29 tribes have compacts and 22 run 28 casinos around the state.

But the group is using good timing – in the midst of a state fiscal crisis – and **its announcement today cited** a study by a Las Vegas-based consultant, Gaming Market Advisors, to claim the state could pick up \$157.6 million in new revenues in 2012.

RGA says **the amount could grow** to \$206.5 million a year by 2016 – with estimates based on card rooms having an average of 125 machines. RGA also has **this background paper** on the industry.

Chiechi said no specific e-slots bill has yet been introduced to the Legislature and no sponsors have been publicly identified. But Chiechi said only one Thurston County venue operating today would qualify under the proposal as drafted – the Hawks Prairie Casino in northeast Lacey.

She said Pierce County and Tacoma have bans on the casinos, but gaming facilities in Lakewood could accommodate the slots under the proposal.

Tribes are likely to fight any such incursion into their exclusive ability to offer the electronic slots – part of state-to-tribe compacts ironed out under terms of the National Indian Gaming Act of the late 1980s.

But the RGA's video-slots proposal is much less drastic than **a 2004 initiative led by Tim Eyman**, which drew heavy tribal opposition. His proposal would have put slot machines in card rooms, bowling alleys and taverns that have pull tabs and punch cards.

House Democratic leaders indicated today through a spokeswoman that they had not seen the proposal yet, but that most ideas must be on the budget table.

House Republican Leader Richard DeBolt was open to the RGA proposal and said it might not require a supermajority vote in the Legislature to pass, because it doesn't expand gambling by adding venues.

As outlined by RGA, the proposal would put a 30 percent tax on net wins with another 5 percent for local governments. About 0.37 percent of taxes would go to programs dealing with problem gambling.

The RGA cited recent polling by Elway Research and said there is 62 percent support for putting e-slots into non-tribal venues.

Read more: <http://www.theolympian.com/2011/03/16/v-print/1581888/gaming-groups-dangle-380m-video.html#ixzz111M7o1L>

# THE NEWS TRIBUNE

## Mini-casino lobbying group releases study – and will support legislation – in favor of "slot machine" expansion in state

POSTED BY [C.R. ROBERTS](#) ON MARCH 17, 2011

The Recreational Gaming Association, which represents non-tribal mini-casinos in the state, will support a bill expanding machine gaming in the state.

Although previous efforts to legalize the machines have failed, Chiechi said this proposal may gain favor with legislators.

"I'm hopeful," she said. "We've had legislators who wouldn't have conversations in the past, who are now willing to open the dialogue."

Using the results of a study released this week, Chiechi noted that the machines would provide the state with much-needed revenue. "Tax revenues in 2012 could be as much as \$157.6 million, and could grow to as much as \$206.5 million a year by 2016," said an association press release. The study was prepared by Gaming Market Advisors of Las Vegas.

The figures are based on an average of 125 machines located at each of the state's 63 existing mini-casinos – for a total of 7,875 machines across the state.

Sixty-three mini-casinos were operating at the time the study being prepared, although the number fluctuates. Fewer are operating today. Tribal casinos in Washington – the only place where gaming machines can be operated – offer some 23,000 machines, the RGA said... *Read more:* <http://blog.thenewstribune.com/business>

### Washington State Wire

#### Two Big Gambling Proposals Surface as State Budget Sinks -- Cardrooms and Restaurants Dangle Millions Before State

Budget Crisis Good Reason to End Tribal Monopoly on 'Slots,' They Say

OLYMPIA, March 27. — Two big gambling proposals are surfacing in this year's Legislature, and suddenly lawmakers are discovering the hidden charms of slot machines. That's what a multi-billion-dollar budget shortfall will do for you.

Two proposals are being floated in the final weeks of the 2011 Legislature, each of them with the potential to raise somewhere in the neighborhood of \$400 million for the next two-year budget. And after years of argument, as lawmakers find themselves having to cut at least \$3 billion in spending this year – they're starting to see it as a matter of justice. Why should the tribes have all the gambling machines?

One proposal you may have heard of. The state Recreational Gaming Association made a big splash two weeks ago with a proposal that would allow cardroom operators to install what are essentially slots in their "mini-casinos." But it's not the only idea. The Washington Restaurant Association has quietly been floating another proposal that would allow the same type of machines to be installed in bars and taverns across the state, just like in Oregon

"We view this as a fairness issue," said state Rep. Bill Hinkle, R-Cle Elum. "And I think that is going to be an important part of the debate if that can be communicated well to the public. For more, see: [www.washingtonstatewire.com](http://www.washingtonstatewire.com)

