

# **Gambling Tax Report**

## **February 2004**



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*Washington State Gambling Commission*

# Gambling Taxes Report

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*Executive  
Summary*

# Washington State Gambling Commission

## Gambling Taxes Report

### Executive Summary

The changing face of gambling in Washington State has raised many questions, including ones about gambling taxes. Because of this, the Commissioners asked staff to prepare a report focusing on the following:

- 1) History of the taxing structure for gambling in Washington State, including what the tax revenue was intended for and court cases interpreting the tax provisions;
- 2) Timeline of significant events related to gambling taxes and the changes in gambling revenue and the number of licensees;
- 3) Comparison of commercial card rooms in 1973 and today;
- 4) Survey of 8 states similar to Washington in population and/or in the gambling activities they allow, including information about gross receipts for the gambling activities, tax rates, to whom taxes are paid (usually state or local governments), how taxes are used, whether charitable/non-profit organizations pay taxes, license fees or other assessments paid, and betting limits;
- 5) State and local B&O taxes;
- 6) Changes in market shares for net receipts and taxes paid for charitable/non-profit and commercial organizations;
- 7) Range of gambling tax rates in local jurisdictions; and
- 8) Percent of cities' revenues from gambling taxes.

We know that significant congressional and legislative events have impacted gambling in Washington State today. For example, the Indian Gaming Regulatory Act (IGRA), passed by Congress in 1988, resulted in the opening of tribal casinos. Today there are 22 tribal casinos in Washington. In addition, legislative changes have also impacted gambling in the state. For example, changes made in 1996 and 1997 increased the number of card tables allowed from five to fifteen and allowed house-banking. Today, there are approximately 80 house-banked card rooms in the state.

Although this report does not focus on tribal gaming, we have included one set of pie charts in the Appendix, which show how the net receipts for tribal

gaming, the other activities the Gambling Commission regulates, the State Lottery, and horse racing have changed over the past three years. Today tribal gaming net receipts surpass all other forms of commercial and charitable/non-profit gambling combined.

Our main sources of information for this report included legislative history, information from eight selected states obtained through phone calls and reviewing their websites, data from a survey the Association of Washington Cities conducted in 2002, and statistical data that we, as the Gambling Commission, collect. Based on this information, we were able to make several findings.

### ***Key Findings***

- ***Historical records indicate that gambling taxes were intended to help local jurisdictions with enforcement issues related to gambling. The tax was not implemented as a “sin tax.” Prior to passage of the Gambling Act of 1973, then-Governor Evans established the Governor’s Ad Hoc Committee on Gambling. The Committee recommended that any local jurisdiction which opted to prohibit a form of legalized gambling “would not receive revenue shares from that gambling.”***
- ***In a sampling of 15 cities and 4 major counties that currently or previously had house-banked card rooms within their jurisdictions, 14 house-banked card rooms have closed. Several jurisdictions have lowered the tax rate for card rooms, perhaps in anticipation of attracting future operators and their resulting tax revenues or to keep current operators from leaving or closing. There has also been anecdotal information suggesting that some jurisdictions have set the tax at the maximum rate in order to discourage future growth.***
- ***Of the states we contacted, Washington is the only state without a state gambling tax.***

## *Key Findings Continued*

- *Of the states surveyed, none have exactly the same activities as Washington. Some states do not allow punchboard/pull-tabs. In addition, Washington is the only state with commercial punchboard/pull-tabs. In some states, punchboard/pull-tabs may be located and operated at commercial businesses, but the proceeds are for the benefit of charitable/non-profit organizations. Some states have commercial (non-tribal) casinos with both house-banked card rooms and electronic machines, such as slot machines or video lottery.*
- *Only Minnesota exceeds Washington in gross gambling receipts for punchboard/pull-tabs. Of the eight states surveyed, all except Washington have a punchboard/pull-tab gambling tax collected by the state.*
- *Only Michigan exceeds Washington in gross gambling receipts for bingo. Of the states surveyed, all had a bingo gambling tax collected by the state, except California, where the local jurisdictions regulate bingo instead of the state, and South Dakota, which does not track bingo.*
- *The lowest non-tribal betting limit among the states surveyed is Colorado, where the limit is \$5 (and interestingly, set by the state Constitution). In North Dakota, the non-tribal betting limit is \$25 and in Minnesota it is \$300. South Dakota and Washington State have non-tribal betting limits of \$100 (although recently the limit was raised in Washington to \$200 for a limited number of tables). California, Michigan, Nevada, and New Jersey do not have betting limits. In practice, the casinos in these states set their own limits, but it is not set by law. New Jersey explained that the casinos want to set limits to protect themselves from card counters. By minimizing the betting limit, they can minimize their risk of loss.*

## *Key Findings Continued*

- *Tribal betting limits do not always match the commercial betting limits. For instance, in Minnesota, the commercial betting limit is \$300 and the tribal betting limit is \$500. This is true also in North Dakota, where the commercial betting limit is \$25 and the tribal betting limit is \$250. Finally, it is also true in Washington where the commercial betting limit is \$100 (with an exception for a few tables at \$200) and the tribal betting limit is \$500. Colorado and South Dakota have the same betting limits for commercial and tribal casinos.*
- *In Washington, commercial card rooms have seen the most significant increase and now have 57% of the market share for gambling net receipts (compared to 6% of the market share in 1985 and 1994).*
- *There has been a decline in net receipts for commercial punchboard/pull-tab operators.*
- *Overall, there has been a decline in market share for charitable/non-profit operators.*
- *For fiscal year 2003, commercial operators had 86% of the market share for net receipts, but paid 93% of the gambling taxes. Charitable/non-profit operators, on the other hand, had 14% of the market share for net receipts and paid 7% of the taxes.*
- *Gambling tax rates vary by city or county.*
- *75 cities have gambling, but do not tax it.*
- *Both charitable and commercial organizations in Washington State pay B&O tax, which is set at .015% based on net receipts. For 2002, this accounted for \$6.2 million. Furthermore, 31 cities also collect an additional city B&O tax. In 2002, licensees in areas with a city B&O tax paid approximately \$165,000 (in addition to the state B&O tax).*

## *Key Findings Continued*

- *Gambling taxes, as an average, were not more than 1.2% of total revenues for the cities (based on a 2002 survey by the Association of Washington Cities). However, for six cities gambling taxes accounted for more than 5% of their revenue. For La Center, nearly 75% of their revenue was from gambling taxes.*
- *Based on this research, there is not equity in the current tax structure. Because of the disparity in tax rates from jurisdiction to jurisdiction, it is possible for two neighbors on the border between jurisdictions to pay a different amount in gambling taxes for exactly the same amount of net receipts.*
- *To a lesser extent, city B&O taxes can also lead to an overall disparity in taxes for gambling operators.*

***1.***

***History***

*Timeline*

# WSGC Timeline

## Significant Events Related to Taxes and Growth of Gambling

		Number of Licenses	Net (1) (2) Gambling Receipts
		(Organizations)	(m=million\$)
1972	Senate Joint Resolution approved by voters, allowing gambling activities		
1973	Washington State Gambling Commission(WSGC) is created Punchboards and Pull-Tabs (PB/PT) authorized	859	
1974	Social Card Rooms authorized Punchboard/Pull-tab tax rate - Maximum 5% gross Bingo, Raffles, Amusement games - Max 10% gross minus prizes Local jurisdictions, not state, authorized to tax gambling Tax rate for card rooms silent - left up to local jurisdiction		
1976	Machine tax on PB/PT dispensers authorized \$250 Federal Tax per machine but \$200 applied to WSGC		
	Bingo	959	\$9.3 m
	PB/PT	1,133	13.5 m
	Card Rooms	425	4.7 m
	All others	922	1.8 m
	<b>Total</b>	<b>3,439</b>	<b>\$29.3 m</b>
1980	Feds remove \$250 tax on PB/PT dispensers; leaves WSGC short of revenue Governor Ray vetoes attempt to continue \$250 tax		
1981	State law changed, setting tax on card games at maximum of 20% of Gross Receipts Legislature passes \$350 tax on coin operated gambling dispensers		

1 Net Gambling Receipts = Gross Gambling Receipts Minus Prizes Paid

2 Does not include Lottery or Horse Racing Commission Data

# WSGC Timeline

## Significant Events Related to Taxes and Growth of Gambling

		Number of Licenses  (Organizations)	Net (1) (2) Gambling Receipts  (m=million\$)
1982	State Lottery authorized	671	\$21 m
	Bingo	1,484	39 m
	PB/PT	401	7 m
	Card Rooms	1,202	7 m
	All others	<b>3,758</b>	<b>\$74 m</b>
Total			
Local Gambling Taxes reported as paid per Quarterly Activity Reports(QARs)-\$6.8 m			
1983	Lummi Tribe opens casino Tulalip, Muckleshoot, and Puyallup Tribes open Bingo Halls		
1984	State Legislature repeals \$350 tax on PB/PT dispensing devices		\$89.8 m
1986	Legislature increases PB/PT from \$.25 to \$.50 per chance		
1988	Indian Gaming Regulatory Act passed by Congress		\$149.0 m
1992	Tulalip Tribe opens first compacted tribal casino		
1995	State agrees to "friendly lawsuit" with Tribes over electronic gambling Six Tribal casinos open (for a total of 9)		

1 Net Gambling Receipts = Gross Gambling Receipts Minus Prizes Paid

2 Does not include Lottery or Horse Racing Commission Data

# WSGC Timeline

## Significant Events Related to Taxes and Growth of Gambling

		Number of Licenses (Organizations)	Net (1) (2) Gambling Receipts (m=million\$)	
1996	Legislature increases number of tables for card rooms from 5 to 15 and allows fees to be collected beyond rental chair fees			
		Bingo	450	\$49.2 m
		PB/PT	2,442	169.9 m
		Card Rooms	93	15.0 m
		All Other	766	25.3 m
		Tribal Casinos (estimated) Total	<b>3,751</b>	<b>\$384.4 m</b>
	Local Gambling Taxes paid per QAR was \$25.5 m One Tribal casino opened (for a total of 10)			
1997	Legislature authorizes House-Banked Card Rooms <ul style="list-style-type: none"> <li>- Raised cost of PB/PT from \$.50 to \$1.00</li> <li>- Changed PB/PT tax rate from 5% gross to 10% net for non-profits</li> <li>- Gave local jurisdiction option of taxing 10% net or 5% gross for PB/PT for commercial businesses</li> </ul>			
1999	Tribes begin operating Tribal Lottery System Machines Tax reduced on bingo and raffles from 10% to 5% of gross receipts minus prizes (net receipts) effective 1-1-2000 27 House-Banked Card Rooms opened (for a total of 48)			

1 Net Gambling Receipts = Gross Gambling Receipts Minus Prizes Paid

2 Does not include Lottery or Horse Racing Commission Data

# WSGC Timeline

## Significant Events Related to Taxes and Growth of Gambling

		Number of Licenses (Organizations)	Net (1) (2) Gambling Receipts (m=million\$)
1999 (continued)	Bingo	391	\$43.5 m
	PB/PT	2,257	169.3 m
	Card Rooms	91	109.0 m
	All Other	731	24.5 m
	Tribal Casinos (estimated)		272.6 m
	<b>Total</b>	<b>3,470</b>	<b>\$618.9 m</b>
	Total of 12 Tribal casinos now open Local Gambling Taxes reported as paid - \$34.3 m		
2002	Legislature authorizes bingo operations 7 days a week		
2003	Bingo	293	29.5 m
	PB/PT	1,922	135.8 m
	Card Room	100	248.8 m
	All Other	679	22.9 m
	Tribal Casinos (estimated)		700 m
	<b>Total</b>	<b>2,994</b>	<b>\$1.1 billion</b>
	17 House-Banked Card Rooms opened (for a total of about 80) Local Gambling Taxes reported as paid - \$44.0 m		
2004	Two new Tribal Casinos open (for a total of 22)		

1 Net Gambling Receipts = Gross Gambling Receipts Minus Prizes Paid

2 Does not include Lottery or Horse Racing Commission Data

*Commercial  
Card Rooms*

*1973 - Today*

## Commercial Card Rooms - 1973 to 2003

	1973	FY 1975	FY 1981	FY 1998	FY 2003
		m = million \$	K = thousand \$		
Card Rooms Legal	No	Yes*	Yes*	Yes	Yes
Gambling Taxes to State	Therefore	No	No	No	No
Taxes to county/city (Local Gambling Taxes)	N O	Yes	Yes	Yes	Yes
Tax Rate per RCW	T	Silent-left up to local jurisdiction	Maximum established of 20% of Gross Receipts	20% max	20% max
	A				
Net Receipts	P	\$2.8 m	\$7.0 m	\$29.6 m	\$248.8 m
	P				
License Fees	L	\$85 K	\$138 K	\$276 K	\$1.9 m
	I				
Taxes Paid \$ (Local Gambling Taxes)	C A	Not Available	\$.7 m	\$3.5 m	\$26.9 m
# of Licenses Reporting activity	B L	Not Available	136 reported activity	27 House-Banked 55 Non House-Banked	75 House-Banked 25 Non House-Banked
	E				
Max # of Tables		5	5	15	15

\* Poker rooms only; the legislature authorized house-banked card rooms in 1997

# *Legislative History*



STATE OF WASHINGTON  
GAMBLING COMMISSION

PO Box 42400 Olympia Washington 98504-2400 (360)486-3440 TTD (360) 486-3637 FAX (360) 486-3625

February 6, 2004

To: Amy R. Blume, Administrator, Communications and Legal Division  
From: <sup>M.A.F.</sup> Melinda A. Froud, Staff Attorney  
RE: Public Policy Research – Gambling Taxes

You asked me to research the history of gambling tax in Washington, including a review of the following:

1. The statutory structure in Washington State, which limited the authority to tax gambling to local jurisdictions;
2. Review legislative history available and news articles from 1973;
3. Was the assessment a "sin tax" designed to decrease gambling or was it designed to help local government fund enforcement;
4. Information about the intent of taxing gambling or how funds were to be used; and
5. Government reaction to changes in legalized gambling.

I. Statutory Structure.

Prior to the passage of the Gambling Act of 1973, Governor Evans established the Governor's *Ad Hoc* Committee on Gambling.<sup>1</sup> His charge to the Committee directed that the members endeavor to find the will of the people, interpret it, if possible, and apply that information to the different forms of gambling which might be legalized under the terms of Senate Joint Resolution No. 5. (SJR 5 amended the State Constitution, authorizing the Legislature to permit lotteries.) The Governor directed the Committee to study the various forms of gambling activities, make long and short range recommendations, and submit a report by February 10, 1973.

In establishing guidelines for preparation of its report, the Committee assigned a low priority to legalized gambling activities that could provide alternative revenue for the State, and it designated the revenue question as "the last of its priorities." The Committee based this decision upon the limited return projected for the State from gambling revenues, the State's involvement in gambling promotion, and "reservations

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<sup>1</sup> In order to research the legislative intent surrounding the gambling tax and related issues, I reviewed the Governor's *Ad Hoc* Committee Report dated February 9, 1973. This report was completed before the original bill for the Gambling Act was submitted to the Legislature.



about the revenues being a significant factor in the minds of the citizens who voted for SJR 5.”

However, it appears the Committee contemplated that some revenues would be available to the State and/or local jurisdictions. In its report, the Committee unanimously recommended a "local veto;" local jurisdictions should be permitted to prohibit, but not regulate, any form of legalized gambling. The recommendation also provided that any local jurisdiction which opted not to permit a given form of legalized gambling "would not receive revenue shares from that gambling." Although the report is silent as to how such revenues would be distributed, the concept of "revenue shares" suggests that at least one other party would receive funds in addition to the local jurisdiction in which the activity was conducted.

## II. Legislative History.

The Gambling Act of 1973 originated in the House of Representatives as House Bill No. 711. The House Journal from the 1973 Session shows that the bill provided for local governments to levy and benefit from gambling taxes, although there are no records that reflect the reason for this determination<sup>2</sup> The original bill also proposed local taxation as a prerequisite for the issuance of gambling licenses:

PROVIDED, That should no such tax be levied by any county, city, city-county, or town by local law or ordinance on such gambling activity, no license thereof in such respective jurisdiction shall be issued by the commission.

Several members of the House moved for an amendment to strike this language. The amendment failed, although no details are available concerning the discussions for or against the proposal. The Senate later struck this language from the bill.

In addition to the local tax, the House also proposed a schedule of different tax rates, ranging from five to eight percent for bingo, raffles, amusement games, and punch boards; one proposal was for the Commission to levy and collect the taxes.

After the substitute bill reached the Senate, members passed a number of amendments referred to as the "local veto." As recommended by the Governor's *Ad Hoc* Committee, these amendments provided for counties to veto any one or more of the permitted activities. Additionally, cities of the "first class" (defined by a city population exceeding 20,000) also had an independent veto right as to one or more of the activities.

The local veto provision was important, as it influenced amendments passed by the Senate regarding the levying of gambling taxes:

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<sup>2</sup> The journals of the House of Representatives and the Senate document the daily activities of legislative branch, including details related to all bills under consideration. Journals provide the evolution of the HB 711 bill and discussions surrounding proposed amendments thereto.

The most important features of this bill with these amendments if adopted are that the local municipality, cities and counties, will retain basic control and taxing authority. There is no taxing authority at the state level. The reason for that basically is that if we had left taxing authority solely at state level then obviously it seems to me the various municipalities and counties would say, 'Well, if we are not going to be able to derive any moneys from these activities in the form of tax revenues, why should we permit them?' And under the local veto provisions that are also in here they probably would not have permitted these activities. And that is the reason for that.

The Senate also changed the tax rates set by the House for each activity to a ten percent maximum for all activities. There are no records available to reflect the reasons behind this change. However, the Senate Journal notes a couple of exchanges concerning the local taxes and revenues. Senator Twigg stated that within the ten percent limit, the local jurisdictions could establish taxes for the different gambling activities. The senator also explained that with regards to the disposition of the revenue, funds were to go entirely to the local taxing authority, while license fees were to go to the state: “[The gambling tax revenue] all goes to the local level. I might qualify that, Senator. The licensing fees go to the state level but they are modest in nature and designed only to cover the expenses of the gambling commission.” In a subsequent discussion between members, Senator Twigg clarified that ten percent was the limiting figure to be based upon gross receipts, and that the licensing fees were separate from the local taxes.

### III. "Sin Tax" Deterrent or Funding for Law Enforcement?

The absence of any "sin tax" discussions on the record indicates that this was not the legislators' intent. As the tax was contemplated in some form by both parties from the bill's origination, it is likely that enforcement was underlying concern, not deterrence. In fact, one of the Senate Journal entries documents some discussion among the members as to whether the ten percent tax ceiling was too high, as it was to be taxed on the gross receipts. Local jurisdictions still had discretion to tax at lower levels, which would have been much less of a deterrent. Moreover, RCW 9.46.113 and the subsequent case history clearly show the relationship between the gambling tax and enforcement of regulations, as explained below.

### IV. Court Cases Interpreting Use of Gambling Taxes.

In 1975, the legislature passed a law concerning the use of tax revenues, which was codified as RCW 9.46.113. That statute provides that local taxing jurisdictions "shall use the revenue from such tax primarily for the purpose of enforcement of the provisions of this chapter . . ." Over time, questions arose regarding proper use of the tax revenues.

The state Attorney General's Office prepared two official opinions in 1976 and 1986 on the subject of "primarily" as used in RCW 9.46.113. However, the Washington State

Supreme Court subsequently acknowledged in *American Legion Post No. 32 v. City of Walla Walla*, 116 Wash 2d. 1 (1991), that those opinions were not controlling. *American Legion* involved a constitutional challenge against the City of Walla Walla for the collection of gambling taxes, and the assessment of penalties for late payment of such taxes.

In the case, the appellant argued that the City was not using the gambling taxes primarily for the enforcement of the Gambling Act. The Court found that the appellant failed to demonstrate the requisite standing to raise a constitutional challenge<sup>3</sup>, and instead turned its attention to defining the terms "primarily" and "enforcement" to render its opinion. The court defined "primarily" to mean "in the first instance," and not "substantially," stating that "regardless of amount, the tax must be utilized first of all to enforce the gambling act. If this requires all of the revenue, then it must be utilized. Similarly, if only 5 percent is needed, then that is all that must be used." *American Legion Post No. 32*, 116 Wash 2d. at 9.

Although the court declared that gambling tax revenues must only be used to the extent needed for enforcement, the Court's definition of "enforcement" was much broader than that contemplated by the Legion:

RCW 9.46.010 essentially provides that enforcement of the gambling act pertains to the regulation and enforcement of all factors incident to the activities authorized in the act. Based on this legislative declaration of intent and the applicable dictionary definitions, we hold that "enforcement" as used in RCW 9.46.113 entails the regulation of and compelling compliance with all requirements specified under the gambling act. This envelops much more than that advocated by Legion. Further, Legion offers no evidence that Walla Walla has not been enforcing the act as mandated. We find that the relatively low rate of gambling-related offenses indicates otherwise.

Enforcement does not necessarily encompass only that police activity which can be specifically related to gambling, as Legion contends. Among other things, it would be ludicrous to suggest that general police presence in the community does not have an inhibitive effect on those who contemplate engaging in illegal gambling. Police do not exist merely to deal with existent crime; they also act as a deterrent to the establishment of crime.

*Id.* at 10.

In its recitation of the facts of the case, the court also noted other law enforcement expenses not discussed here, such as paying for officers' salaries while they attend the police training academy, and providing some on-going gambling training. The court

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<sup>3</sup> The court found that the appellant failed to demonstrate that it had a unique legal right or privilege different from other taxpayers that was violated by the City's levy and use of the gambling tax.

found that although the gambling dollars were not readily traceable, it was appropriate for the City to place the tax in the general police budget, as “. . . it is indisputable that the general presence and continuous activity of the police within the community impacts and helps to deter illegal gambling.” *Id.* at 11. Given these parameters, it would be difficult for a licensee to prevail on the claim that a local municipality required only a portion of the tax revenues to enforce the Gambling Act.

#### V. Local Government Reaction.

As gambling has expanded in recent years, local governments have responded differently. The competing factors appear to be resistance to local gambling establishments versus the need for revenue. By September 2003, at least 52 local governments had enacted ordinances to prohibit new and/or existing card rooms.<sup>4</sup> Approximately one-third of the jurisdictions had either a moratorium or an ordinance in place by 1999, when agency staff began tracking the dates of these prohibitions. A few other jurisdictions had enacted ordinances that provide zoning for card rooms.

In contrast, some local jurisdictions that permit gambling activities and collect taxes from operators appear to have been affected by increased competition within the card room industry. In a sampling of fifteen cities and four major counties that currently or previously had house-banked card rooms within their jurisdictions, 14 house-banked card rooms have closed. (See attached.) Several of the affected jurisdictions have reduced the tax rate for the remaining card rooms from the twenty percent maximum to rates ranging between five and ten percent. As indicated on the attachment, several other local governments which have not had house-banked card rooms in their jurisdictions have also reduced their tax from the maximum rate, perhaps in anticipation of attracting future operators and their resulting tax revenues.

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<sup>4</sup> The agency website was the source of information for Section V.

## Card Room Tax Rates for Selected Cities \* For 1999 and Today

City	Number of		1999 Rate	Today's Rate **	City	Number of		1999 Rate	Today's Rate **
	Current House-Banked Card Rooms	Closed House-Banked Card Rooms				Current House-Banked Card Rooms	Closed House-Banked Card Rooms		
Aberdeen	1		20%	10%	Pacific			20%	20%
Bellingham ^^	1	3	10%	10%	Pasco	1		20%	20%
Benton City			20%	20%	Puyallup			20%	20%
Black Diamond			20%	20%	Richland	1		20%	10%
Blaine		1	\$200 ^	0%	Ruston	1		20%	0-12% ^^
Bonney Lake			20%	20%	Seatac	1	2	20%	10%
Bremerton	2		20%	20%	Selah			20%	20%
Burien	1		20%	11%	Shelton			20%	5%
Carnation			20%	20%	Spokane	5	5	20%	20%
Chehalis			20%	5%	Steilacoom			20%	20%
Everett ^^	4	2	5%	10%	Tukwila	5		20%	10%
Fife	1		20%	8.5%	Union Gap			20%	20%
Fircrest			20%	20%	University Place			20%	20%
Gig Harbor			20%	20%	West Richland			20%	20%
Hoquiam			20%	20%					
La Conner			20%	20%	<b>Unincorporated Counties:</b>				
Lakewood	2		20%	20%	Spokane	3		15%	15%
Long Beach	1		20%	5%	King	6		11%	11%
Mabton			20%	3%	Pierce	2		10%	10%
Milton			20%	20%	Snohomish	3		5%	10%
Naches			20%	20%					

As indicated above, many cities had the maximum 20% tax rate by 1999, even though they had no card rooms within their jurisdictions.

Rates that have changed since 1999.

\* For cities noted to have maximum rate in 1999

\*\* Rates as reported by the Association of Washington Cities in 2002 survey or from the last notification to WSGC by the cities

^ Flat rate set

^^ While not at maximum rate in 1999, these cities are included because of their house-banked card room activity

^^^ Tax rate depends on gross receipts level

*2.*

*Comparison  
with other States*

## Summary of Activities

State/ Population 2003	Tribal Gaming	Casino Nights	Commercial Card Rooms/ BJ & Poker	Video Lottery Casinos/Slots/	Bingo	Punchboard/ Pull-tabs	Raffles	Horse Racing	Dog Racing	Lottery
<b>WASHINGTON</b> 6.1 Million	X	X	X		X	X*	X	X		X
<b>ARIZONA</b> 5.1 Million	X				X			X	X	X
<b>CALIFORNIA</b> 33.9 Million	X		X **		X		X	X		X
<b>COLORADO</b> 4.3 Million	X		X ***	X ***	X	X	X	X	X	X
<b>MICHIGAN</b> 9.9 Million	X	X		X ****	X	X	X	X		X
<b>MINNESOTA</b> 4.9 Million	X		X ^		X	X	X	X		X
<b>NORTH DAKOTA</b> .6 Million	X		X ^^		X	X	X	X		X
<b>OREGON</b> 3.4 Million	X			X ^^	X		X	X	X	X
<b>SOUTH DAKOTA</b> .8 Million	X		X ^^	X ^^	X	X	X	X	X	X

\* Only state with commercial punchboard/pull-tabs

\*\* Nonhouse-banked card rooms

\*\*\* Slots, Blackjack, & poker

\*\*\*\* Casinos & slots

^ Only allowed at Class A Race Tracks (nonhouse-banked)

^^ House-banked Blackjack; poker limited to two occasions; run by charity in taverns

^^ Video lottery

^^^ Casinos (allow Blackjack & poker-both house-banked and nonhouse-banked)

*Survey of  
Selected States*

*Taxes*

# Punchboard/Pull-Tab Taxes

STATE NAME population (2000 Census)	ACTIVITY	GROSS GAMBLING RECEIPTS	TAX RATE	TAX	WHO COLLECTS THE TAX?
<b>Washington</b> 6.1 million FYE-6/30/03	<u>Nonprofit only</u> Pull-Tab	\$88.1 M	Nonprofit 10% net receipts	\$1.9 M	Local
	<u>Commercial</u> Pull-Tab	\$384.6 M	Maximum: Commercial 5% gross receipts or 10% net receipts	\$13.6 M	Local
<b>Colorado</b> 4.3 million CYE-12/31	Nonprofit Pull- Tabs	\$114.3 M		Fees only	Secretary of State
<b>Michigan</b> 9.9 million FYE-2002	Nonprofit Pull- Tabs (charity game tickets)	\$109.3 M		\$12.4 M	Michigan Lottery Department Charitable Gaming Division
<b>Minnesota</b> 4.9 million CYE-12/31	Nonprofit Pull- Tabs	\$1,337 M (\$1.3 B)	1.7% ideal gross collected by wholesaler; graduated tax on gross receipts (local can also tax up to 3% of gross receipts for regulation) with refund for unsold tickets		
<b>North Dakota</b> .6 million FYE-2003	Nonprofit Punchboard/Pull- Tabs	\$153.7M	4.5% excise tax on gross proceeds, <u>plus</u> graduated gaming tax on adjusted proceeds (5% on \$200,000; 10% on \$2 - 400,000; 15% on \$4 - 600,000; and 20% over \$600,000)	\$6.6 M excise tax on pull- tabs only	Attorney General Office, Division Of Gaming
<b>South Dakota</b> .8 million	Nonprofit Pull- Tabs-not regulated		5% paid by distributor		

# Card Room Taxes

STATE Population	ACTIVITY	GROSS GAMBLING RECEIPTS	TAX RATE	TAXES	WHO COLLECTS?
<b>Washington</b> 6.1 million FYE-6/30/03	Card Rooms	\$250.8 M	Maximum: 20% gross receipts (net win)	\$26.9 M	Local
<b>Minnesota</b> 4.9 million  CYE-12/31/02	Card rooms (in Class A race track)  Pari-mutuels (live & simulcast) also allow card rooms nonhouse-banked	14% set aside for purses; total rake \$17.4 M	10% of rake (up to \$6M) set aside for purses unless commission negotiations determine different rate  .1% of each \$1 wagered - 6% of takeout (portion withheld by racetrack) first \$12 M is exempt	\$2.4 M set aside for purses, \$244,000 for breeders fund.  Less than \$215,288 (live)	State  State
<b>North Dakota</b> .6 million  FYE 6/30/03	Blackjack conducted in bar by charity; Poker allowed 2 occasions per year -- House-banked	\$64.9 M	5-20% on adjusted gross proceeds (5% on \$200,000; 10% on \$200,000-\$400,000; 15% on \$400,000 - \$600,000; and 20% over \$600,000)  Average rate is 7.5%	Approximately \$750,000 (Average rate of 7.5% times net proceeds of \$10.3 M)	State

# Bingo Taxes

STATE NAME population (2000 Census)	GROSS GAMBLING RECEIPTS	TAX RATE	TOTAL TAX REPORTED	WHO COLLECTS THE TAX?
<b>Washington</b> 6.1 million FYE 6/30/03	\$119.9 M	Maximum: 5% net receipts	\$1.4 M	Local
<b>Arizona</b> 5.1 million FYE 6/30/03	\$36.5 M	Class A-2.5% of adjusted gross receipts; Class B-1.5% of gross receipts; Class C-2.0% of gross receipts	Fees-\$18,865; Taxes-\$603,534	Department of Revenue
<b>California</b> 33.9 million	Handled by local jurisdictions			
<b>Colorado</b> 4.3 million CYE-12/31	\$63.6 M		Fees only	Secretary of State
<b>Michigan</b> 9.9 million FYE-9/30/02	\$256.7 M	No Tax	No Tax	
<b>Minnesota</b> 4.9 million CYE 12/31	\$71.9 M	8.5%; tax base-net receipts(locals can also tax up to 3% of gross receipts for regulation)		Department of Revenue, Special Taxes Division
<b>North Dakota</b> .6 million FYE 6/30/03	\$45.2 M	5% state sales tax plus 1% optional city tax based on net receipts (after prizes)	\$2.6 M bingo sales tax	Attorney General Office, Division of Gaming
<b>Oregon</b> 3.4 million FYE 6/30	\$63.1 M	No Tax		
<b>South Dakota</b> .8 million FYE 6/30		5% paid by distributor	Bingo Not Tracked	

# Raffle Taxes

STATE NAME population (2000 Census)	GROSS GAMBLING RECEIPTS	TAX RATE	TOTAL TAX REPORTED	WHO COLLECTS THE TAX?
<b>Washington</b> 6.1 million FYE-6/30	\$6.7 M	5% net receipts	\$0.02 M	Local
<b>Colorado</b> 4.3 million CYE-12/31	\$7.1 M	Fees only	Fees only	Secretary of State
<b>Minnesota</b> 4.9 million CYE-12/31	\$4.3 M	8.5%; tax base-net receipts (local can also tax up to 3% of gross receipts for regulation)		
<b>North Dakota</b> .6 million FYE 6/30/03	\$3.1 M		Tax amount not separated from other taxes	Attorney General Office, Division of Gaming
<b>Oregon</b> 3.4 million	\$5.3 M			
<b>South Dakota</b> .8 million FYE-6/30		5% paid by distributor	Bingo, Pull-Tabs, Raffles Not Tracked	

# Taxes

## Video Lottery, Casinos, and Slot Machines

STATE Population	ACTIVITY	GROSS GAMBLING RECEIPTS	TAX RATE	TAXES	WHO COLLECTS?
<b>Colorado</b> 4.3 million FYE-03	Slot machines, BJ & Poker Limited to Black Hawk, Central City, & Cripple Creek	\$707.2 M	<u>20% max</u> 0.25% - 20% dependent upon adjusted gross proceeds (net win); .25% to \$2 M; 2% from \$2 M to \$4 M; 4% from \$4 - \$5 M; 11% \$5 - 10 M; 16% \$10 M - \$15 M, 20% over \$15M	\$97.4 M FYE03	State
<b>Michigan</b> 9.9 million FYE-9/30	Casinos, Slots	\$1.1B (adjusted gross receipts) CYE02	8.1% net win to state (wager) 9.9% net win to city (wager)	\$29.9M fees (CYE02) (state wager tax=\$91.1 M CYE02)	State
<b>Oregon</b> 3.4 million FYE-03	Video Lottery	\$498.7 M	Retailers get % which varies by sales level; impacts amt returned to state; avg 33% goes to state	\$301 M	State
<b>South Dakota</b> .8 million FYE-03	Casinos (includes BJ, HB, Player-banked, & slots (\$.01-\$25)	\$64.1 M gross revenue, \$2.7 M city slot revenue FYE02 (adjusted gross revenue - \$61.4 M)	8%; tax base-adjusted gross revenue	\$5.8 M device tax; \$5.1 M gross revenue tax; \$.7 city slot tax; \$.1 Application fees; \$.1 License fees	State

*Survey of  
Selected States*

*Betting  
Limits*

# Betting Limits

State/ Population 2003	Betting Limit	Set By
<b>WASHINGTON</b> 6.1 Million	\$100 * \$500 tribal	Commission & Compact
<b>ARIZONA</b> 5.6 Million	\$500 All tribal	Statute & Compact
<b>CALIFORNIA</b> 35.5 Million	None	n/a
<b>COLORADO</b> 4.5 Million	\$5 \$5 tribal **	Constitution & Compact
<b>MICHIGAN</b> 10.1 Million	None	n/a
<b>MINNESOTA</b> 5.1 Million	\$300 \$500 tribal	Statute & Compact
<b>NEVADA</b> 2.2 Million	None	n/a
<b>NEW JERSEY</b> 8.6 Million	None	n/a
<b>NORTH DAKOTA</b> .6 Million	\$25 \$100 tribal ***	Statute & Compact
<b>OREGON</b> 3.6 Million	\$2 \$1,000 tribal	Lottery & Compact
<b>SOUTH DAKOTA</b> .8 Million	\$100 \$100 tribal	Statute (initiative) & Compact

\* \$200 for limited number of tables

\*\* Friendly lawsuit provision that state would not challenge/no tribes have sued

\*\*\* \$250 per site for two tables

**3.**

***Changes in  
Market Share***

*Changes in  
Revenue & Taxes*

*By Categories of  
Non-Tribal Gambling*

## Changes in Market Share By Categories of Non-Tribal Gambling

### Summary:

- The non-tribal commercial operators have seen the most significant increase in market share, most notably because of the relatively recent increase in the share for card rooms.
- Commercial net receipts have increased from 55% of market share in 1985 to 86% in 2003.
  
- Charitable/nonprofit operators have seen decreased market share. The statistics show that the decrease was evident in 1994, but the decrease accelerated after this time reducing the market share for the nonprofit significantly.
- Charitable/nonprofit net receipts have declined from 45% market share in 1985 to just 14% in 2003.
- There has also been a decline in net receipts for commercial punchboard/pull-tab operators (reduced by 28 percentage points) and by the charitable/nonprofit operators (reduced by 9 percentage points).
  
- While commercial operators now have 86% of the market share for net receipts, they pay 93% of the taxes.
- Nonprofit operators, on the other hand, currently have 14% of the market share for net receipts and pay just 7% of the taxes (down from 40% in 1985).

### Commercial Punchboard/Pull-tab Activities:

- Commercial net receipts increased in 1994 to 53% of market share.
- Commercial taxes paid grew to 59% of total gambling taxes paid in 1994.
- Commercial operators saw a significant reduction in net receipts by 2003, dropping to just 25% of market share (a reduction of 28 percentage points). The reduction was reflected in the decrease in 2003 to just 31% of taxes for the commercial operators.

### Nonprofit Punchboard/Pull-tab Activities:

- In 1994, net receipts declined by 5% for nonprofits to 22% of market share.
- Taxes paid by the nonprofits in 1994 had dropped to 16% of the total gambling taxes paid (dropping by 3 percentage points).
- Nonprofit operators also saw a significant reduction in net receipts by 2003, with just 8% of the market share (a decline of 14 percentage points). The reduction was reflected also in the taxes in 2003 to just 3% of the total gambling taxes paid (a drop of 13 percentage points).

## Comparing Market Share of Net Receipts with Taxes Reported Paid Fiscal Years Ending June 30

Type of activity	Percentage of Net Receipts				Percentage of Reported Local Taxes				
	Fiscal Years	1975	1985	1994	2003	1975	1985	1994	2003
PB/PT Commercial		47%	46%	53%	25%		52%	59%	31%
Card Room Commercial		7%	6%	6%	57%		8%	8%	61%
Other Commercial		2%	3%	4%	4%		0%	1%	1%
<b>Total Commercial</b>		<b>56%</b>	<b>55%</b>	<b>63%</b>	<b>86%</b>		<b>60%</b>	<b>68%</b>	<b>93%</b>
Bingo+Raffle Nonprofit		29%	27%	22%	8%		21%	16%	3%
PB/PT Nonprofit		15%	15%	15%	6%		19%	16%	4%
Other Nonprofit		0%	3%	0%	0%		0%	0%	0%
<b>Total Nonprofit</b>		<b>44%</b>	<b>45%</b>	<b>37%</b>	<b>14%</b>		<b>40%</b>	<b>32%</b>	<b>7%</b>
<b>Total</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>

Note: Reported Local Tax amounts not available from 1975 to 1984.

## Comparing Net Receipts with Taxes Reported Paid Fiscal Years Ending June 30

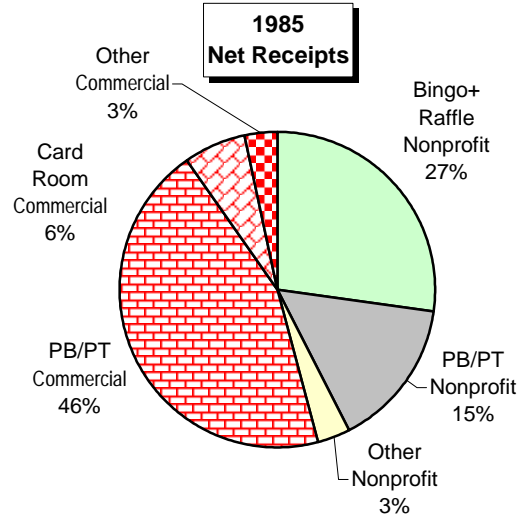
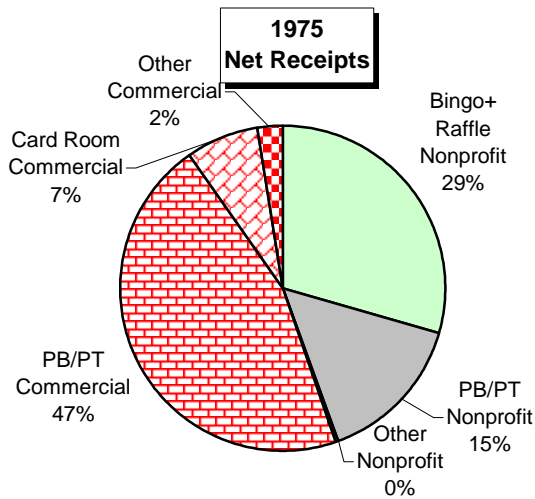
Type of activity	Net Receipts (millions)				Reported Local Taxes (millions)				
	Fiscal Years	1975	1985	1994	2003	1975	1985	1994	2003
PB/PT Commercial		\$10.1	\$43.0	\$137.8	\$110.8		\$4.9	\$15.2	\$13.6
Card Room Commercial		1.6	6.2	16.7	248.8		0.7	2.0	26.9
Other Commercial		0.5	3.2	9.6	18.7		0.0	0.1	0.2
<b>Total Commercial</b>		<b>12.2</b>	<b>52.5</b>	<b>164.2</b>	<b>378.3</b>		<b>5.6</b>	<b>17.3</b>	<b>40.7</b>
Bingo+Raffle Nonprofit		6.5	26.3	57.0	33.6		2.0	4.2	1.4
PB/PT Nonprofit		3.4	14.8	38.5	25.1		1.8	4.2	1.9
Other Nonprofit		0.1	3.1	1.1	0.1		0.0	0.0	0.0
<b>Total Nonprofit</b>		<b>9.9</b>	<b>44.2</b>	<b>96.6</b>	<b>58.8</b>		<b>3.9</b>	<b>8.5</b>	<b>3.3</b>
<b>Total</b>		<b>\$22.1</b>	<b>\$96.7</b>	<b>\$260.8</b>	<b>\$437.1</b>		<b>\$9.5</b>	<b>\$25.7</b>	<b>\$44.0</b>

Note: Reported Local Tax amounts not available from 1975 to 1984.

# Comparing Market Share of Net Receipts with Taxes Reported Paid

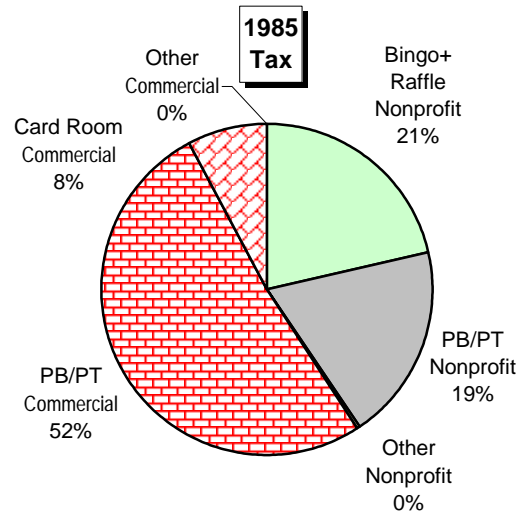
Solid color = Nonprofit    Brick Patterns = Commercial

## Fiscal Years Ending June 30



**1975 Tax**

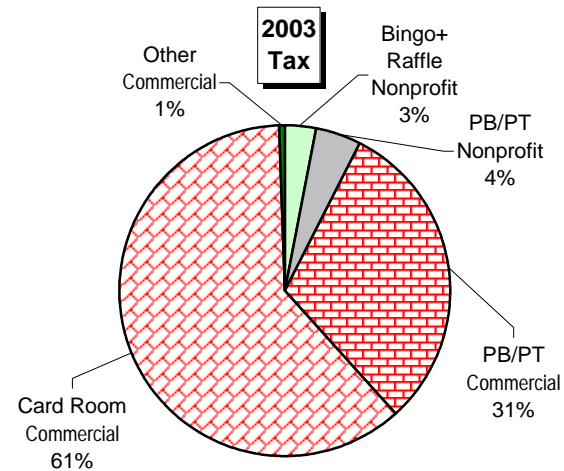
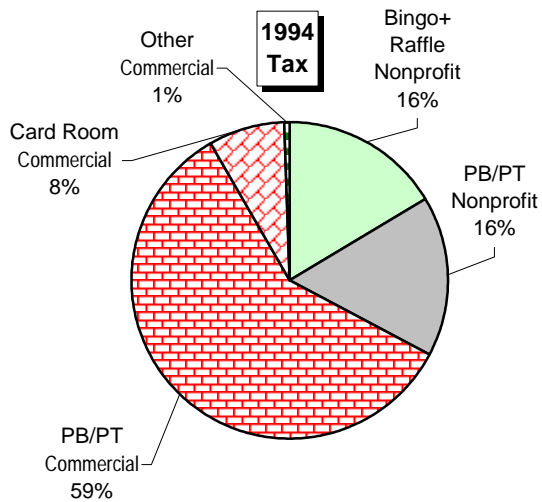
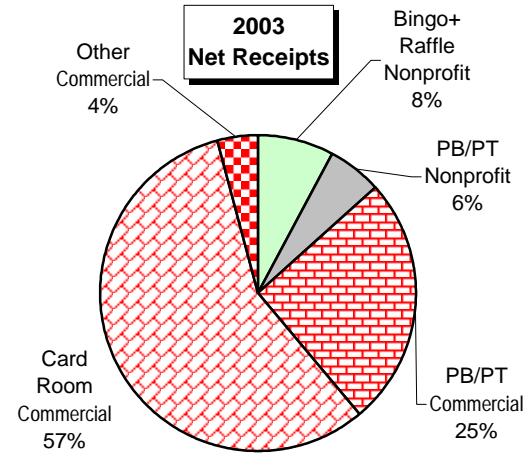
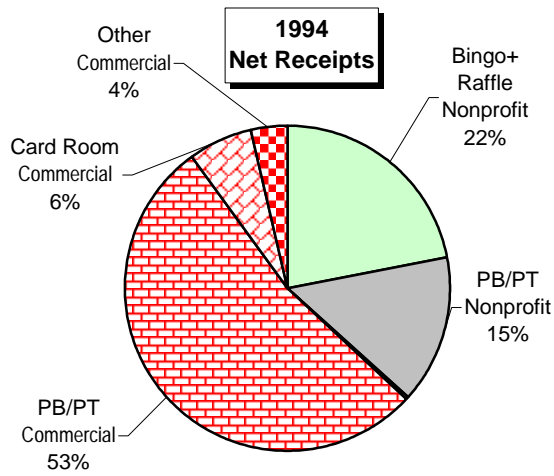
Reported Local Gambling Tax amounts not available from 1975 to 1984.



# Comparing Market Share of Net Receipts with Taxes Reported Paid

**Solid color = Nonprofit      Brick Patterns = Commercial**

## Fiscal Years Ending June 30



Source: Washington State Gambling Commission

Note: Does not include Tribal, Lottery, or Horse Racing figures.

**4.**

***Local  
Jurisdictions***

# *Range of Tax Rates*

*Cities*

# Gambling Taxes Summary

## Based Upon the 2002 Survey

### Conducted by the Washington Association of Cities<sup>1</sup>

- Only 33% of cities (32 of 96) tax at the maximum level for card rooms, which is 20% of gross receipts.
- About half of the cities that tax punchboard/pull-tab activities tax at the maximum level, which is 10% of net receipts for charitable/nonprofit organizations. For commercial operators, at the city's option, it is 5% of gross receipts or 10% of net receipts.
- Only 8 of the 280 cities (Castle Rock, Centralia, Gig Harbor, Kirkland, Naches, Pasco, Spokane, and University Place) tax at the maximum rates for all activities.
- Over 80% of cities that tax raffles, bingo, and amusement games tax at the maximum rates.
- Seventy-five jurisdictions have gambling but do not tax it.
- Spokane taxes at the maximum rate. Spokane is the largest city to tax at the maximum rate for all activities.
- In 2002, Spokane (population 197,400) had six card rooms (five were house-banked) while Tacoma had five (three were house-banked). Spokane taxes at the maximum 20% rate, while Tacoma (population 196,300) taxes at 11%. Spokane card room gross receipts totaled \$7.8 M in 2002, bringing in nearly \$1.5 M in gambling tax revenue (based on reported taxes) for the city. Tacoma card room gross receipts totaled \$4.8 M for the same time period, bringing in approximately \$600,000 in gambling tax revenue for that city.
- Spokane County taxes card rooms at 15% of net win. This means that those in the City of Spokane pay 20% and those in the county pay 5% less in gambling taxes. Nonprofit punchboard/pull-tab operators also pay less in gambling taxes in Spokane County. The tax rate for this group is 5%, whereas in the City of Spokane, the tax rate is 10%.

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<sup>1</sup> For exact tax rates, see the Appendix.

# *Range of Tax Rates*

*Counties*

# County Tax Rates<sup>1</sup>

## Calendar Year 2002

- A total of \$44.1 million was reported as paid in gambling taxes to local jurisdictions for all gambling activities. The licensees also paid a total of \$6.4 million in B&O taxes.
- Each county can have many tax rates within its boundaries. This is because each incorporated city can set their own rate and the unincorporated county can also set a different rate.
- King County has the highest population. They also have more gambling licenses issued than any other county. Pierce County has the second highest number of gambling licenses which also reflects the second highest population. Snohomish County follows in both population and gambling licenses. Not surprisingly, the total gambling gross receipts in these counties reflect their ranking by number of gambling licenses. Taxes also follow the same ranking for the counties.

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<sup>1</sup> The tax rates set by some of the counties are shown in the Appendix.

# *B & O Taxes*

B & O Taxes  
For Gambling Activities for Calendar Year 2002

- Washington does not have a state gambling tax. However, we do have a B&O tax, which is .015% on gambling net receipts.
- State B&O taxes were \$6.2 million for bingo (\$.5 million), punchboard/pull-tabs (\$2 million), and card rooms (3.7 million).
- Gambling taxes for bingo (\$1.4 million), punchboard/pull-tabs (15.6 million), and card rooms (\$26.8 million) totaled \$43.8 million.
- There are 31 cities that have an additional city B&O tax, according to the Association of Washington Cities. The tax rate varies by city. See the Appendix for exact rates for each city.
- City B&O tax for bingo, punchboard/pull-tabs, and card rooms totaled an additional \$164,823 for these cities.

*Percent of  
Gambling  
Taxes*

*Local Revenue*

**Gambling Taxes**  
**As a Percentage of City Operating Revenue\***  
**For the Calendar Year 2002**

- Revenue from gambling taxes is greater than 5% percentage of the city's operating revenues for the following cities: Clarkston (5.7%), Kenmore (6.8%), La Center (74.9%), Lakewood (5.4%), Millwood (5.8%), and Shoreline (9.3%).
- The only city to exceed 10% was La Center.
- The overall gambling tax rate average as a percent of Total Operating Revenues is 1.2%. This means that gambling taxes, as an average, do not equate to more than 1.2% of total revenues for the cities.

\* County budgets not available, so only cities are noted in this report. Data supplied by the Association of Washington Cities.

# Calendar Year 2002 City Gambling Taxes As Compared to City Operating Revenues

City	Total 2002 Gambling Taxes	CY 2002 City Operating Revenues * (General & Special Funds)	Gambling Taxes as Percent of Revenue
Aberdeen	\$ 246,420	\$ 13,939,289	1.8%
Algona	\$ 23,121	\$ 2,054,364	1.1%
Arlington	\$ 138,317	\$ 10,260,628	1.3%
Asotin	\$ 1,461	\$ 341,794	0.4%
Auburn	\$ 707,658	\$ 45,154,808	1.6%
Bainbridge Isl.	\$ 232	\$ 15,080,576	0.0%
Battle Ground	\$ 17,209	\$ 7,023,669	0.2%
Bellevue	\$ 175,860	\$ 110,785,312	0.2%
Bellingham	\$ 357,909	\$ 65,637,787	0.5%
Benton City	\$ 5,169	\$ 1,024,632	0.5%
Black Diamond	\$ 11,412	\$ 2,310,837	0.5%
Bonney Lake	\$ 3,537	\$ 6,872,307	0.1%
Bothell	\$ 17,119	\$ 29,715,474	0.1%
Bremerton	\$ 174,139	\$ 31,114,353	0.6%
Brewster	\$ 7,431	\$ 1,547,080	0.5%
Bridgeport	\$ 2,185	\$ 673,461	0.3%
Buckley	\$ 17,360	\$ 2,563,389	0.7%
Burien	\$ 705,491	\$ 17,019,126	4.1%
Burlington	\$ 43,701	\$ 7,857,433	0.6%
Camas	\$ 65,923	\$ 13,081,083	0.5%
Carnation	\$ 6,862	\$ 865,377	0.8%
Castle Rock	\$ 32,031	\$ 910,735	3.5%
Cathlamet	\$ 5,966	\$ 426,902	1.4%
Centralia	\$ 110,229	\$ 9,310,756	1.2%
Chehalis	\$ 62,232	\$ 6,161,442	1.0%
Clarkston	\$ 174,984	\$ 3,084,206	5.7%
Coulee City	\$ 1,377	\$ 443,941	0.3%
Coulee Dam	\$ 579	\$ 631,504	0.1%
Darrington	\$ 2,930	\$ 645,619	0.5%
Dayton	\$ 9,843	\$ 1,171,264	0.8%
Des Moines	\$ 43,011	\$ 16,283,735	0.3%
Duvall	\$ 23,240	\$ 2,903,188	0.8%
East Wenatchee	\$ 231,461	\$ 5,345,679	4.3%
Eatonville	\$ 1,972	\$ 1,357,260	0.1%
Edgewood	\$ 6,724	\$ 3,547,466	0.2%
Edmonds	\$ 212,509	\$ 33,315,813	0.6%

\* Excludes capital funds, enterprise funds (utilities for example) and debt funds

# Calendar Year 2002 City Gambling Taxes As Compared to City Operating Revenues

City	Total 2002 Gambling Taxes	CY 2002 City Operating Revenues * (General & Special Funds)	Gambling Taxes as Percent of Revenue
Electric City	\$ 7,922	\$ 467,075	1.7%
Elma	\$ 12,729	\$ 2,860,714	0.4%
Enumclaw	\$ 62,053	\$ 7,518,933	0.8%
Ephrata	\$ 17,082	\$ 5,692,151	0.3%
Everett	\$ 1,611,855	\$ 97,778,607	1.6%
Everson	\$ 323	\$ 835,025	0.0%
Federal Way	\$ 1,901,438	\$ 38,657,999	4.9%
Ferndale	\$ 11,127	\$ 3,669,161	0.3%
Fife	\$ 356,940	\$ 10,182,681	3.5%
Fircrest	\$ 4,525	\$ 3,632,311	0.1%
Gig Harbor	\$ 100,460	\$ 9,509,286	1.1%
Gold Bar	\$ 4,275	\$ 701,883	0.6%
Goldendale	\$ 14,641	\$ 3,347,124	0.4%
Grand Coulee	\$ 13,035	\$ 715,610	1.8%
Granite Falls	\$ 1,884	\$ 1,358,168	0.1%
Hoquiam	\$ 44,403	\$ 5,966,161	0.7%
Ilwaco	\$ 10,185	\$ 630,212	1.6%
Issaquah	\$ 85,280	\$ 20,908,110	0.4%
Kalama	\$ 18,199	\$ 967,783	1.9%
Kelso	\$ 267,040	\$ 8,221,458	3.2%
Kenmore	\$ 621,247	\$ 9,188,991	6.8%
Kennewick	\$ 834,977	\$ 31,705,761	2.6%
Kent	\$ 274,491	\$ 69,118,668	0.4%
Kirkland	\$ 262,033	\$ 48,231,067	0.5%
La Center	\$ 3,176,412	\$ 4,240,643	74.9%
La Conner	\$ 3,851	\$ 998,821	0.4%
Lacey	\$ 514,626	\$ 23,269,840	2.2%
Lake Forest Park	\$ 1,055	\$ 6,253,713	0.0%
Lakewood	\$ 1,607,671	\$ 29,758,725	5.4%
Liberty Lake	\$ 92,545	\$ 2,935,462	3.2%
Long Beach	\$ 69,979	\$ 1,758,274	4.0%
Lynnwood	\$ 264,624	\$ 32,892,830	0.8%
Maple Valley	\$ 21,471	\$ 7,973,984	0.3%
Marysville	\$ 144,100	\$ 16,148,768	0.9%
Mill Creek	\$ 3,615	\$ 6,780,516	0.1%
Millwood	\$ 63,869	\$ 1,108,209	5.8%
Milton	\$ 30,524	\$ 3,589,998	0.9%

\* Excludes capital funds, enterprise funds (utilities for example) and debt funds

# Calendar Year 2002 City Gambling Taxes As Compared to City Operating Revenues

City	Total 2002 Gambling Taxes	CY 2002 City Operating Revenues * (General & Special Funds)	Gambling Taxes as Percent of Revenue
Monroe	\$ 94,315	\$ 8,724,062	1.1%
Montesano	\$ 27,414	\$ 2,225,787	1.2%
Morton	\$ 3,714	\$ 565,849	0.7%
Moses Lake	\$ 301,706	\$ 11,424,832	2.6%
Mount Vernon	\$ 82,542	\$ 15,897,763	0.5%
Mountlake Terrace	\$ 842,481	\$ 14,174,407	5.9%
Mukilteo	\$ 6,697	\$ 10,823,903	0.1%
Naches	\$ 10,039	\$ 372,717	2.7%
Napavine	\$ 11,025	\$ 909,768	1.2%
North Bend	\$ 69,471	\$ 4,814,800	1.4%
Northport	\$ 2,276	\$ 213,925	1.1%
Oak Harbor	\$ 27,329	\$ 10,648,078	0.3%
Ocean Shores	\$ 8,747	\$ 5,139,007	0.2%
Okanogan	\$ 2,476	\$ 1,240,218	0.2%
Olympia	\$ 191,544	\$ 43,582,700	0.4%
Oroville	\$ 9,529	\$ 987,554	1.0%
Orting	\$ 25,843	\$ 2,001,438	1.3%
Othello	\$ 6,998	\$ 4,076,320	0.2%
Pasco	\$ 684,678	\$ 30,193,544	2.3%
Port Angeles	\$ 109,063	\$ 12,557,858	0.9%
Port Orchard	\$ 103,543	\$ 5,971,832	1.7%
Poulsbo	\$ 4,331	\$ 6,426,870	0.1%
Puyallup	\$ 230,076	\$ 34,853,476	0.7%
Raymond	\$ 23,928	\$ 1,608,067	1.5%
Redmond	\$ 27,973	\$ 50,278,774	0.1%
Renton	\$ 2,106,457	\$ 55,368,369	3.8%
Republic	\$ 10,411	\$ 389,241	2.7%
Richland	\$ 256,009	\$ 39,700,553	0.6%
Ridgefield	\$ 2,315	\$ 1,151,750	0.2%
Roy	\$ 12,485	\$ 580,240	2.2%
Ruston	\$ 8,754	\$ 449,868	1.9%
Seatac	\$ 855,448	\$ 25,070,742	3.4%
Seattle	\$ 1,034,599	\$ 862,084,608	0.1%
Sedro-Woolley	\$ 39,285	\$ 4,307,404	0.9%
Selah	\$ 24,328	\$ 3,066,103	0.8%
Shelton	\$ 106,203	\$ 6,452,658	1.6%
Shoreline	\$ 2,699,864	\$ 29,002,469	9.3%

\* Excludes capital funds, enterprise funds (utilities for example) and debt funds

# Calendar Year 2002 City Gambling Taxes As Compared to City Operating Revenues

City	Total 2002 Gambling Taxes	CY 2002 City Operating Revenues * (General & Special Funds)	Gambling Taxes as Percent of Revenue
South Bend	\$ 3,524	\$ 712,972	0.5%
South Prairie	\$ 5,128	\$ 318,186	1.6%
Spokane	\$ 1,856,419	\$ 144,569,241	1.3%
Stanwood	\$ 24,533	\$ 3,877,053	0.6%
Sultan	\$ 6,070	\$ 2,078,947	0.3%
Sumner	\$ 32,142	\$ 7,572,660	0.4%
Tacoma	\$ 3,051,458	\$ 183,253,313	1.7%
Tenino	\$ 18,409	\$ 750,497	2.5%
Tonasket	\$ 770	\$ 671,299	0.1%
Tukwila	\$ 1,646,420	\$ 44,349,518	3.7%
Tumwater	\$ 37,429	\$ 11,398,563	0.3%
Union Gap	\$ 127,535	\$ 13,107,683	1.0%
University Place	\$ 77,918	\$ 15,340,295	0.5%
Vancouver	\$ 640,076	\$ 103,362,138	0.6%
Walla Walla	\$ 167,212	\$ 14,351,940	1.2%
Washougal	\$ 51,760	\$ 5,661,683	0.9%
Waterville	\$ 67	\$ 369,130	0.0%
West Richland	\$ 2,860	\$ 4,920,258	0.1%
Westport	\$ 17,570	\$ 2,121,264	0.8%
White Salmon	\$ 896	\$ 980,495	0.1%
Wilkeson	\$ 431	\$ 196,762	0.2%
Winlock	\$ 3,279	\$ 644,577	0.5%
Woodinville	\$ 69,666	\$ 9,106,337	0.8%
Woodland	\$ 26,420	\$ 2,210,189	1.2%
Yacolt	\$ 5,887	\$ 683,861	0.9%
Yakima	\$ 849,761	\$ 45,326,321	1.9%
Yelm	\$ 21,057	\$ 2,987,937	0.7%
<b>Total Cities Reporting Gambling Tax Revenue</b>	<b>\$34,988,683</b>	<b>\$2,918,297,684</b>	<b>1.2%</b>

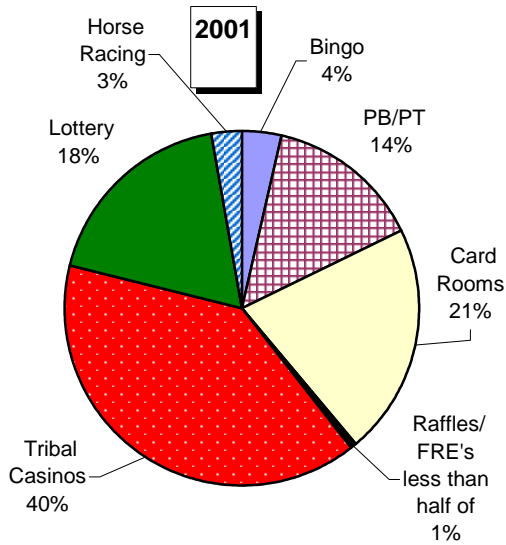
\* See the Appendix for a listing of cities with gambling, but no gambling tax.

\* Excludes capital funds, enterprise funds (utilities for example) and debt funds

# *Appendix*

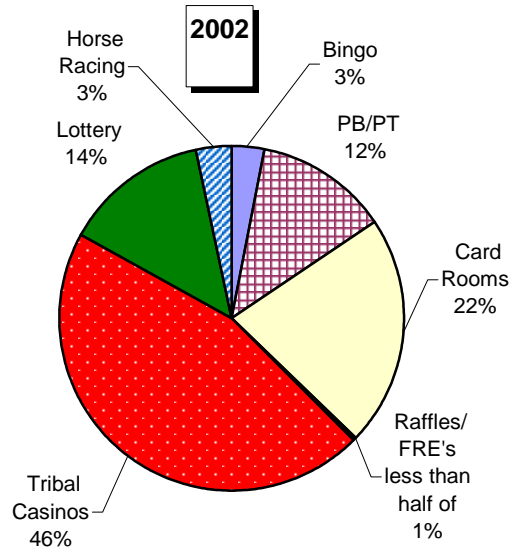
# Fiscal Year NET RECEIPTS COMPARISON

(Net = amount wagered minus amount paid out as prizes)



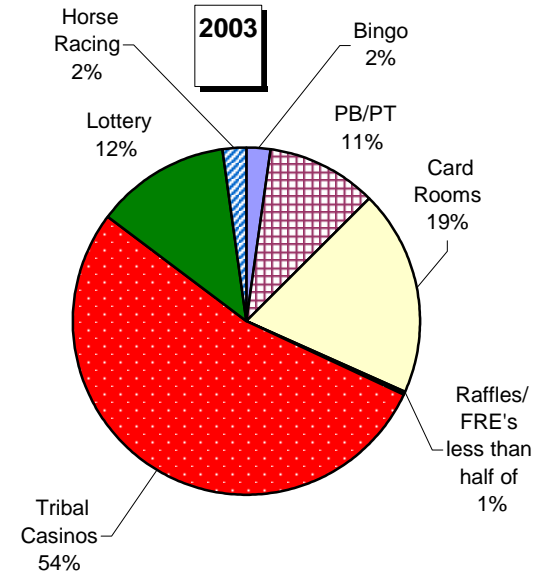
Bingo	37.8
PB/PT	151.3
Card Rooms	227.4
Raffles/FRE's	3.9
Tribal Casinos*	422.0
Lottery	195.4
Horse Racing	<u>29.8</u>

**Total** **\$1.068 B**



Bingo	34.0
PB/PT	141.4
Card Rooms	245.3
Raffles/FRE's	3.7
Tribal Casinos*	514.5
Lottery	156.4
Horse Racing	<u>36.8</u>

**Total** **\$1.132 B**



Bingo	29.5
PB/PT	135.4
Card Rooms	248.8
Raffles/FRE's	4.1
Tribal Casinos*	700.0
Lottery	162.4
Horse Racing	<u>29.6</u>

**Total** **\$1.310 B**

(Dollar amounts = millions M, except where noted for *totals* in billions B)

\* Estimated

## License Fees and Assessments

STATE NAME population (2000 Census)	ACTIVITY	License fees or Assessments?
<b>Washington *</b> 6.1 million	Bingo, Punchboard/Pull-tabs, Card rooms, Raffles, Amusement Games	License fees vary from \$54 - \$27,000 usually based on gross receipts. Total license fees for FYE03-\$10,091,852.
<b>Arizona</b> 5.1 million	Bingo Casino nights	One-time local fee - \$5-\$25; Class A- \$10 (<\$15,600 annually); B-\$50 (< \$300,000 annually); C- \$200 >\$300,000 annually) None
<b>California</b> 33.9 million	Card rooms  Bingo  Raffles	Annual fee per table; fee per table depends on total number of tables; < 5 tables-fee=\$250; >71 tables fee=\$3,700 per table   Annual registration fee-\$20
<b>Colorado</b> 4.3 million	<u>Slot machines, BJ &amp; Poker</u> Limited to Black Hawk, Central City, & Cripple Creek  Charitable Gaming Total Detail:  Bingo Pull-Tabs Raffles	Employees-2 yr lic-\$100;renew-\$60; Key mgmt employee-\$250;renew-\$200; casino-\$1,250; casino operator lic-\$1,000; manuf/dist-\$1,000; Total fees 2002-\$558,962-2002  ANNUAL LICENSE FEES: manufacturer/supplier-\$600;manufacturer/supplier agent-\$160; landlord license-\$1,000; raffle, pull-tab, & bingo license-\$62.50; QUARTERLY FEES: Bingo/Raffles/Pull-tabs -- 0.3% of combined gross receipts, if <\$100,000 0.4% if >\$100,000; 1.2% of gross sales for manufacturer/supplier (manufacturers/suppliers paid \$652,948 in CYE02);  \$62.50 per year (one fee per all three potential activities) \$62.50 per year (one fee per all) \$62.50 per year (one fee per all)

# License Fees and Assessments

STATE NAME population (2000 Census)	ACTIVITY	License fees or Assessments?
<b>Michigan</b> 9.9 million	Casinos, Slots	Initial fee- \$25M; annual assessment thereafter of 1/3 adjusted by Michigan's CPI (for 2002-\$26.4M); Application fees, fines, etc. (\$2.3 M in CYE02)  \$150 weekly bingo; \$55 small bingo \$200 per yr-fraternal clubs; \$15 per day for qualified organizations \$15 sm raffles; \$5 (sm.) & \$50 (lg) per drawing date \$50 license fee per event
	Charitable Gaming Total	
	Detail:	
	Bingo	
	Pull-Tabs (charity game tickets)	
Raffles		
Millionaire Clubs (700 per yr)		
<b>Minnesota</b> 4.9 million	Charitable Gaming Total	Annual gambling license fee-\$350 (\$100,000+ gross receipts); premise fee \$150+.1% of gross receipts; distributors, manufacturers, salespersons, and owners of halls pay annual fees ranging from \$4,000 to \$9,000 + \$25 per test for equipment & \$100 for item tests-- \$1.2M in CYE02  \$200 - \$400 site permits \$200 - \$400 site permits \$150 site permit
	Detail:	
	Bingo	
	Pull-Tabs	
	Raffles	
	Other	
Slots	Not available	
Casinos		
<b>North Dakota</b> .6 million	Charitable Gaming Total	May operate in bar; get local site authorization by city; \$150 per license (allows up to 5 sites and one license per jurisdiction)  See above See above See above
	Detail:	
	Bingo	
	Punchboards & Pull-tabs	
	Raffles	
	Blackjack	
Other		

## License Fees and Assessments

STATE NAME population (2000 Census)	ACTIVITY	License fees or Assessments?
<b>Oregon</b> 3.4 million	Video Lottery	No, contract with retailers; set up fee appr. \$700 & monthly phone line charge \$100 mo for Video; amusement device tax based on sales (\$60-\$100 per yr)
	Charitable Gaming Total Detail: Bingo Pull-Tabs Raffles Planet Bingo Other	Class A-\$100; B- \$50; C-\$20; D-\$20  Class A-\$50; B-\$20
<b>South Dakota</b> .8 million	<u>Bingo</u> -not regulated <u>Pull-tabs</u> -not regulated <u>Raffles</u> -not regulated <u>Casinos (includes BJ, HB, Player-banked, &amp; slots)</u>	License only manufacturers & distributors  Annual device fee of \$2,000
	Amusement Games	\$12 per machine registration fee

\* License fees and assessments are higher in Washington than in other states. This was not a surprising finding. Based on information gathered through participation in the North American Gaming Regulators Association, we have stronger regulatory programs than in other states. In addition, several states utilize state gambling taxes for funding regulatory functions (including Colorado, Michigan, Minnesota, Oregon, and South Dakota).

# Association of Washington Cities

## Calendar Year 2002 Gambling Taxes

blank = did not respond to Association of Washington Cities survey

N/A = Business does not exist, no tax

No = Tax is not imposed

0.00% = Flat Rate

Tax Rate Maximum - RCW 9.46.110	2% of net		5% of net		20% of gross		5% of net		10% of net		5% of gross or 10% of net	
	Punchboards and Pulltabs											
	City	Amusement Games	Bingo	Card Games	Raffles	Non-profit	Commercial					
Aberdeen	No	10% **	10.0%	No	N/A	10.0%	Net					
Airway Heights	No	No	No	No	No	No	N/A					
Albion*	N/A	N/A	N/A	No	N/A	N/A	N/A					
Algona	2.0%	5.0%	10.0%	5.0%	10.0%	5.0%	Gross					
Almira	N/A	N/A	N/A	No	N/A	N/A	N/A					
Anacortes	No	No	No	No	No	No	N/A					
Arlington	No	No	No	No	No	5.0%	Gross					
Asotin	N/A	N/A	10.0%	N/A	N/A	3.0%	Gross					
Auburn	2.0%	5.0%	12.0%	5.0%	10.0%	5.0%	Gross					
Bainbridge Island	2.0%	5.0%	10.0%	5.0%	10.0%	10.0%	Net					
Battle Ground	No	5.0%	10.0%	5.0%	5.0%	5.0%	Gross					
Beaux Arts Village	No	No	No	No	No	No	N/A					
Bellevue	2.0%	5.0%	N/A	5.0%	N/A	5.0%	Gross					
Bellingham	No	No	10.0%	No	8.0%	8.0%	Net					
Benton City	2.0%	5.0%	20.0%	5.0%	10.0%	2.0%	Gross					
Bingen	Yes	N/A	N/A	N/A	N/A	N/A	N/A					
Black Diamond	2.0%	N/A	20.0%	No	10.0%	10.0%	Net					
Blaine	No	2.0%	No	2.0%	No	No	N/A					
Bonney Lake	2.0%	5.0%	20.0%	5.0%	No	5.0%	Gross					
Bothell	2.0%	5.0%	5.0%	5.0%	10.0%	5.0%	Gross					
Bremerton	2.0%	5.0%	20.0%	No	10.0%	4.0%	Gross					
Brewster	2.0%	No	No	No	2.0%	2.0%	Gross					
Bridgeport	3% **	No	No	No	No	No	N/A					
Brier	No	No	No	No	No	No	N/A					
Buckley	No	No	No	No	10.0%	10.0%	Net					
Bucoda	N/A	N/A	N/A	N/A	N/A	N/A	N/A					
Burien	2.0%	5.0%	11.0%	5.0%	5.0%	5.0%	Gross					
Burlington	No	5.0%	10.0%	5.0%	8.0%	4.0%	Gross					
Camas	2.0%	No	No	N/A	10.0%	5.0%	Gross					
Carbonado												
Carnation	2.0%	5.0%	20.0%	5.0%	4.0%	4.0%	Net					
Cashmere	No	No	No	No	No	No	N/A					
Castle Rock	2.0%	5.0%	20.0%	5.0%	10.0%	5.0%	Gross					
Cathlamet	No	No	No	No	No	5.0%	Gross					
Centralia	2.0%	5.0%	20.0%	5.0%	10.0%	5.0%	Gross					
Chehalis	2.0%	5.0%	5.0%	5.0%	5.0%	5.0%	Net					
Chelan	No	No	No	No	No	No	N/A					
Cheney	No	No	No	No	No	No	N/A					
Chewelah	No	No	N/A	No	No	No	N/A					
Clarkston	No	5.0%	10.0%	No	3.0%	3.0%	Gross					
Cle Elum	No	No	No	No	No	No	N/A					
Clyde Hill	No	No	No	No	No	No	N/A					
Colfax	No	No	No	No	No	No	N/A					
College Place	N/A	N/A	N/A	N/A	N/A	N/A	N/A					

# Association of Washington Cities

City	Amusement Games	Bingo	Card Games	Raffles	Punchboards and Pulltabs		
					Non-profit	Commercial	
Colton	No	No	No	No	No	No	N/A
Colville	No	No	No	No	No	No	N/A
Conconully							
Concrete	No	No	No	No	No	No	N/A
Connell							
Cosmopolis	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Coulee City*	No	No	No	No	N/A	2.0%	Gross
Coulee Dam	2.0%	5.0%	10.0%	5.0%	5.0%	5.0%	Gross
Coupeville	No	No	No	No	No	No	N/A
Covington*	2.0%	5.0%	N/A	5.0%	5.0%	5.0%	Gross
Creston	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cusick	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Darrington	No	No	5.0%	No	N/A	5.0%	Gross
Davenport	No	No	No	No	No	No	N/A
Dayton*	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Deer Park	No	No	No	No	No	No	N/A
Des Moines	No	No	No	No	No	5.0%	Gross
DuPont	2.0%	No	No	No	No	No	N/A
Duvall	2.0%	5.0%	N/A	N/A	N/A	5.0%	Gross
East Wenatchee	No	No	No	No	No	No	N/A
Eatonville	2.7%**	1.0%	N/A	N/A	N/A	2.7%	
Edgewood	2.0%	5.0%	20.0%	5.0%	N/A	5.0%	Gross
Edmonds							
Electric City	No	No	No	No	N/A	2.5%	Net
Ellensburg	1.0%	1.0%	6.0%	1.0%	1.0%	1.0%	Net
Elma	2.0%	5.0%	10.0%	5.0%	6.0%	6.0%	Net
Elmer City							
Endicott*	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Entiat	No	No	No	No	No	No	N/A
Enumclaw	2.0%	5.0%	10.0%	5.0%	10.0%	5.0%	Gross
Ephrata	2.0%	10%**	10.0%	10%**	1.5%	1.5%	Gross
Everett	2.0%	3.5%	7.5%	3.5%	10.0%	4.0%	Gross
Everson	2.0%	5.0%	20.0%	5.0%	No	3.0%	Gross
Fairfield	No	No	No	No	No	No	N/A
Farmington	No	No	No	No	No	No	N/A
Federal Way	2.0%	5.0%	20.0%	5.0%	N/A	5.0%	Gross
Ferndale	No	No	No	No	No	No	N/A
Fife	2.0%	5.0%	8.5%	5.0%	No	5.0%	Gross
Fircrest	2.0%	5.0%	20.0%	5.0%	3.0%	3.0%	Gross
Forks	N/A	N/A	N/A	No	N/A	No	N/A
Friday Harbor	No	No	No	No	No	No	N/A
Garfield	No	No	No	No	No	No	N/A
George	No	No	No	No	No	No	N/A
Gig Harbor	2.0%	5.0%	20.0%	5.0%	10.0%	5.0%	Gross
Gold Bar	2.0%	5.0%	10.0%	5.0%	No	1.0%	Gross
Goldendale	No	No	No	No	1.5%	1.5%	Gross
Grand Coulee	2.0%	10%**	10.0%	No	2.5%	2.5%	Gross
Grandview	No	No	No	No	No	No	N/A
Granger	N/A	N/A	N/A	No	N/A	No	N/A
Granite Falls	No	No	No	No	No	No	N/A
Hamilton	No	No	No	No	No	No	N/A
Harrah	No	No	No	No	No	No	N/A

# Association of Washington Cities

City	Amusement Games	Bingo	Card Games	Raffles	Punchboards and Pulltabs		
					Non-profit	Commercial	
Harrington	No	No	No	No	No	No	N/A
Hartline	No	No	No	No	No	No	N/A
Hatton							
Hoquiam	No	5.0%	20.0%	5.0%	7.5%	8.0%	Net
Hunts Point							
Ilwaco	N/A	5.0%	10.0%	N/A	3.0%	3.0%	Gross
Index	N/A	No	N/A	No	No	No	N/A
Ione*	No	No	N/A	No	No	No	N/A
Issaquah	2.0%	5.0%	No	5.0%	10.0%	5.0%	Gross
Kahlotus							
Kalama	No	5.0%	20.0%	5.0%	No	5.0%	Gross
Kelso	2.0%	5.0%	10.0%	5.0%	10.0%	5.0%	Gross
Kenmore	2.0%	5.0%	11.0%	5.0%	5.0%	5.0%	Gross
Kennewick	2.0%	5.0%	10.0%	No	10.0%	10.0%	Net
Kent	2.0%	5.0%	10.0%	5.0%	10.0%	10.0%	Net
Kettle Falls	No	No	No	No	No	No	N/A
Kirkland	2.0%	5.0%	20.0%	5.0%	10.0%	5.0%	Gross
Kittitas	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Krupp*	N/A	N/A	N/A	N/A	N/A	N/A	N/A
La Center	No	No	10.0%	No	No	5.0%	Net
La Conner	2.0%	2.0%	20.0%	2.0%	No	2.0%	Gross
Lacey	2.0%	4.0%	10.0%	No	8.0%	4.0%	Gross
LaCrosse							
Lake Forest Park	No	No	No	No	No	No	N/A
Lake Stevens	No	No	No	No	No	No	N/A
Lakewood	2.0%	5.0%	20.0%	5.0%	3.0%	3.0%	Gross
Lamont							
Langley	No	No	No	No	No	No	N/A
Latah	No	No	No	No	No	No	N/A
Leavenworth	No	No	No	No	No	No	N/A
Liberty Lake							
Lind	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Long Beach	No	5.0%	5.0%	N/A	5.0%	5.0%	Gross
Longview	2.0%	5.0%	12.5%	5.0%	10.0%	5.0%	Gross
Lyman*	No	N/A	No	No	No	No	N/A
Lynden							
Lynnwood	2.0%	10%**	No	10%**	5.0%	5.0%	Gross
Mabton	2.0%	5.0%	3.0%	5.0%	No	3.0%	Gross
Malden	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mansfield	No	No	No	No	No	No	N/A
Maple Valley	2.0%	N/A	No	N/A	5.0%	5.0%	Gross
Marcus	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Marysville	2.0%	No	20.0%	7.5%**	N/A	5.0%	Gross
Mattawa	No	No	No	No	No	No	N/A
McCleary	No	No	No	No	No	No	N/A
Medical Lake	2.0%	N/A	15.0%	N/A	No	No	N/A
Medina	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mercer Island	No	No	No	No	No	No	N/A
Mesa	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Metaline							
Metaline Falls	No	No	No	No	No	No	N/A
Mill Creek	N/A	N/A	N/A	N/A	N/A	5.0%	Gross

# Association of Washington Cities

City	Amusement Games	Bingo	Card Games	Raffles	Punchboards and Pulltabs		
					Non-profit	Commercial	
Millwood							
Milton	2.0%	5.0%	20.0%	5.0%	No	5.0%	Gross
Monroe	N/A	N/A	N/A	N/A	N/A	3.5%	Gross
Montesano	2.0%	5.0%	5.0%	5.0%	N/A	2.0%	Gross
Morton*	No	No	20.0%	No	No	2.5%	Gross
Moses Lake	No	5.0%	10.0%	No	2.5%	2.5%	Gross
Mossyrock	No	No	No	No	No	No	N/A
Mount Vernon	No	5.0%	10.0%	5.0%	N/A	4.0%	Gross
Mountlake Terrace*	2.0%	7.5%**	5.0%	7.5%**	5.0%	5.0%	Gross
Moxee*	2.0%	N/A	N/A	N/A	No	2.0%	Gross
Mukilteo	2.0%	5.0%	5.0%	5.0%	5.0%	5.0%	Net
Naches	2.0%	5.0%	20.0%	5.0%	10.0%	10.0%	Net
Napavine	N/A	N/A	N/A	N/A	N/A	1.0%	Gross
Nespelem*	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Newcastle	2.0%	5.0%	No	5.0%	No	5.0%	Gross
Newport	0.0%	N/A	N/A	N/A	N/A	0.0%	N/A
Nooksack							
Normandy Park	N/A	N/A	N/A	N/A	N/A	N/A	N/A
North Bend	2.0%	5.0%	11.0%	5.0%	5.0%	5.0%	Gross
North Bonneville*	No	No	No	No	No	No	N/A
Northport*	N/A	No	No	No	N/A	5.0%	Gross
Oak Harbor	N/A	5.0%	N/A	No	1.0%	1.0%	Net
Oakesdale*	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Oakville	No	No	No	No	No	No	N/A
Ocean Shores	2.0%	5.0%	10.0%	N/A	3.0%	3.0%	Gross
Odessa	No	No	No	No	No	No	N/A
Okanogan	2.0%	5.0%	N/A	5.0%	No	1.0%	Gross
Olympia	No	5.0%	3.0%	5.0%	3.0%	3.0%	Gross
Omak	No	No	No	No	No	No	N/A
Oroville	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	Gross
Orting	N/A	5.0%	10.0%	N/A	10.0%	4.0%	Gross
Othello	2.0%	5.0%	20.0%	5.0%	7.5%	2.5%	Gross
Pacific	2.0%	5.0%	20.0%	No	5.0%	5.0%	Gross
Palouse	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pasco	2.0%	5.0%	20.0%	5.0%	10.0%	5.0%	Gross
Pateros	No	No	No	No	No	No	N/A
Pe Ell	No	No	No	No	No	No	N/A
Pomeroy	N/A	No	No	No	No	No	N/A
Port Angeles	N/A	5.0%	10.0%	5.0%	10.0%	10.0%	Net
Port Orchard	2.0%	5.0%	10.0%	5.0%	N/A	3.0%	Gross
Port Townsend	No	No	No	No	No	No	N/A
Poulsbo	2.0%	5.0%	N/A	5.0%	10.0%	5.0%	Net
Prescott	No	No	No	No	No	No	N/A
Prosser	No	No	No	No	No	No	N/A
Pullman	No	No	No	No	No	No	N/A
Puyallup	No	5.0%	20.0%	5.0%	10.0%	4.0%	Gross
Quincy							
Rainier	N/A	N/A		N/A	N/A	N/A	N/A
Raymond	No	No	No	No	No	3.0%	Gross
Reardan	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Redmond	2.0%	5.0%	12.0%	5.0%	10.0%	5.0%	Gross
Renton	2.0%	5.0%	10.0%	5.0%	7.0%	7.0%	Net

# Association of Washington Cities

City	Amusement Games	Bingo	Card Games	Raffles	Punchboards and Pulltabs		
					Non-profit	Commercial	
Republic	No	No	No	No	No	2.0%	Gross
Richland	5%**	5.0%	10.0%	5.0%	5.0%	5.0%	Gross
Ridgefield	10%**	5.0%	10.0%	N/A	No	5.0%	Net
Ritzville	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Riverside	No	No	No	No	No	No	N/A
Rock Island	No	No	No	No	No	No	N/A
Rockford*	No	No	No	No	No	No	N/A
Rosalia							
Roslyn	0.0%	No	No	No	No	No	N/A
Roy	2.0%	5.0%	2.0%	No	No	3.0%	Gross
Royal City	N/A	N/A	N/A	No	No	No	N/A
Ruston							
Sammamish	No	No	No	No	No	No	N/A
SeaTac	2.0%	10%**	10.0%	10%**	5.0%	5.0%	Gross
Seattle	2.0%	5.0%	N/A	5.0%	10.0%	5.0%	Gross
Sedro-Woolley*	No	No	No	No	No	5.0%	Gross
Selah	2.0%	5.0%	20.0%	5.0%	N/A	3.0%	Gross
Sequim	No	No	No	No	No	No	N/A
Shelton	No	5.0%	5.0%	N/A	10.0%	5.0%	Gross
Shoreline	2.0%	5.0%	11.0%	5.0%	10.0%	5.0%	Gross
Skykomish*	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Snohomish							
Snoqualmie	2.0%	5.0%	N/A	N/A	8.5%	4.0%	Gross
Soap Lake							
South Bend	No	No	No	No	N/A	5.0%	Gross
South Cle Elum	No	No	No	No	No	No	N/A
South Prairie	N/A	N/A	N/A	N/A	N/A	10.0%	Net
Spangle							
Spokane	2.0%	5.0%	20.0%	5.0%	10.0%	10.0%	Net
Sprague	No	No	No	No	No	No	N/A
Springdale*	No	No	No	No	No	No	N/A
St John	N/A	N/A	N/A	No	N/A	N/A	N/A
Stanwood	2.0%	5.0%	5.0%	5.0%	5.0%	5.0%	Gross
Starbuck	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Steilacoom	2.0%	5.0%	20.0%	5.0%	No	5.0%	Gross
Stevenson	No	No	No	No	No	No	N/A
Sultan	No	No	No	No	No	5.0%	Net
Sumas	No	3.0%	1.0%	N/A	1.5%	1.5%	Net
Sumner	2.0%	5.0%	N/A	5.0%	N/A	4.5%	Gross
Sunnyside	No	No	No	No	No	No	N/A
Tacoma	2.0%	5.0%	11.0%	5.0%	10.0%	5.0%	Gross
Tekoa*	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tenino	N/A	10%**	N/A	10%**	No	10.0%	Net
Tieton	No	N/A	N/A	No	No	No	N/A
Toledo	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tonasket	2.0%	2.0%	2.0%	No	N/A	2.0%	Net
Toppenish	No	No	No	No	No	No	N/A
Tukwila	2.0%	5.0%	10.0%	5.0%	10.0%	5.0%	Gross
Tumwater	2.0%	5.0%	20.0%	5.0%	10.0%	3.0%	Gross
Twisp	No	No	No	No	No	No	N/A
Union Gap	2.0%	5.0%	20.0%	10%**	2.5%	2.5%	Gross
Uniontown	No	No	No	No	No	No	N/A

# Association of Washington Cities

City	Amusement Games	Bingo	Card Games	Raffles	Punchboards and Pulltabs		
					Non-profit	Commercial	
University Place	2.0%	5.0%	20.0%	5.0%	10.0%	5.0%	Gross
Vader	N/A	No	N/A	No	N/A	N/A	N/A
Vancouver	No	5.0%	No	No	10.0%	5.0%	Gross
Waitsburg	N/A	N/A	N/A	No	N/A	No	N/A
Walla Walla	2.0%	5.0%	10.0%	5.0%	No	8.0%	Net
Wapato	No	No	No	No	No	No	N/A
Warden	No	No	No	No	No	No	N/A
Washougal	2.0%	5.0%	10.0%	5.0%	5.0%	5.0%	Gross
Washtucna	No	No	No	No	No	No	N/A
Waterville	No	No	No	No	N/A	5.0%	Gross
Waverly	No	No	No	No	No	No	N/A
Wenatchee	N/A	No	4.0%	5.0%	No	1.0%	Gross
West Richland	2.0%	5.0%	20.0%	5.0%	1.5%	1.5%	Gross
Westport	5%**	5.0%	5.0%	No	No	No	N/A
White Salmon	No	5.0%	No	No	No	10.0%	Net
Wilbur	No	No	No	No	No	No	N/A
Wilkeson*	No	N/A	N/A	No	No	2.0%	Gross
Wilson Creek*	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Winlock	2.0%	3.0%	1.0%	3.0%	No	1.0%	Gross
Winthrop	No	No	No	No	No	No	N/A
Woodinville	2.0%	5.0%	No	No	N/A	5.0%	Gross
Woodland	2.0%	5.0%	10.0%	5.0%	10.0%	5.0%	Gross
Woodway	No	No	No	No	No	No	N/A
Yacolt	2.0%	5.0%	No	5.0%	No	3.0%	Gross
Yakima	2.0%	5.0%	10.0%	2.0%	10.0%	10.0%	Net
Yarrow Point	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Yelm	2.0%	5.0%	N/A	5.0%	N/A	3.0%	Gross
Zillah	N/A	N/A	N/A	N/A	N/A	No	N/A
						<b>Net</b>	<b>Gross</b>
<b>Average Rate</b>	<b>2.1%</b>	<b>5.0%</b>	<b>12.2%</b>	<b>5.1%</b>	<b>7.8%</b>	<b>7.0%</b>	<b>3.9%</b>
<b>Jurisdictions with a Tax Rate for this activity</b>	<b>98</b>	<b>108</b>	<b>96</b>	<b>85</b>	<b>81</b>	<b>137</b>	
<b>Jurisdictions Taxing at Maximum Rate</b>	<b>90</b>	<b>91</b>	<b>32</b>	<b>71</b>	<b>38</b>	<b>72</b>	
<b>Percent Taxing at Maximum</b>	<b>91.8%</b>	<b>84.3%</b>	<b>33.3%</b>	<b>83.5%</b>	<b>46.9%</b>	<b>52.6%</b>	
<b>Jurisdictions exceeding statutory limits in tax rate</b>	<b>5</b>	<b>6</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	
* 2000 rate data							
**Exceeds maximum rate allowed							

## Cities with Gambling, But Who Do Not Tax \*

### Calendar Year 2002

City	CY 2002 City Operating Revenues ** (General & Special Funds)
Airway Heights	\$ 3,793,483
Anacortes	\$ 13,194,549
Bingen	\$ 614,168
Blaine	\$ 3,616,675
Carbonado	\$ 287,135
Cashmere	\$ 2,117,694
Chelan	\$ 3,104,754
Cheney	\$ 5,834,697
Chewelah	\$ 1,475,139
Cle Elum	\$ 4,293,078
Colfax	\$ 1,411,070
Colville	\$ 3,675,292
Concrete	\$ 346,328
Connell	\$ 1,562,726
Coupeville	\$ 1,155,153
Covington	\$ 5,652,420
Cusick	\$ 159,404
Davenport	\$ 756,473
Deer Park	\$ 2,401,728
Entiat	\$ 451,422
Forks	\$ 1,454,256
Friday Harbor	\$ 2,645,963
George	\$ 432,908
Grandview	\$ 3,472,010
Hamilton	\$ 70,138
Harrah	\$ 222,083
Ione	\$ 301,127
Kettle Falls	\$ 954,864
Kittitas	\$ 350,298
Lake Stevens	\$ 2,570,169
Langley	\$ 1,073,783
Leavenworth	\$ 2,248,938
Longview	\$ 26,222,608
Mabton	\$ 640,695
Medical Lake	\$ 1,589,266
Mercer Island	\$ 18,900,408
Metaline Falls	\$ 119,374
Mossyrock	\$ 328,222
Moxee	\$ 450,766
Newport	\$ 950,848
Oakville	\$ 378,376
Odessa	\$ 1,073,180

\* Data supplied by the Association of Washington Cities

\*\* Excludes capital funds, enterprise funds (utilities for example), and debt funds

## Cities with Gambling, But Who Do Not Tax \* Calendar Year 2002

City	CY 2002 City Operating Revenues ** (General & Special Funds)
Omak	\$ 2,883,873
Pateros	\$ 467,017
Pe Ell	\$ 658,020
Pomeroy	\$ 587,672
Port Townsend	\$ 6,127,503
Prescott	\$ 94,527
Prosser	\$ 3,129,837
Pullman	\$ 12,055,290
Quincy	\$ 2,681,512
Reardan	\$ 193,654
Ritzville	\$ 1,294,665
Rock Island	\$ 330,783
Rosalia	\$ 584,456
Roslyn	\$ 483,227
Royal City	\$ 482,512
Sequim	\$ 3,595,853
Skykomish	\$ 242,515
Spangle	\$ 512,468
Sprague	\$ 491,357
St. John	\$ 1,070,803
Steilacoom	\$ 3,741,342
Stevenson	\$ 1,593,711
Sumas	\$ 934,634
Sunnyside	\$ 6,133,761
Toledo	\$ 215,863
Toppenish	\$ 4,554,441
Uniontown	\$ 138,570
Waitsburg	\$ 519,661
Wapato	\$ 2,338,181
Warden	\$ 1,094,406
Washtucna	\$ 96,339
Wilbur	\$ 414,857
Zillah	\$ 2,131,936
<b>Total Operating Budgets for Cities Not Reporting Gambling Tax Revenue</b>	<b>\$257,651,797</b>

Number of cities with gambling, but no gambling tax  
Number of cities with no gambling

75  
49

\* Data supplied by the Association of Washington Cities

\*\* Excludes capital funds, enterprise funds (utilities for example), and debt funds

# Gambling Taxes for Selected Counties Calendar Year 2002

Tax Rate Maximum -- RCW 9.46.110	2% of net	5% of net	20% of gross	5% of net	10% of net	5% of gross or 10% of net
County	Amusement Games	Bingo	Card Games	Raffles	Punchboards and Pull-tabs	
					Non-profit	Commercial
King	2%	5%	11%	5%	10%	5% gross
Pierce	2%	5% *	10%	5% *	2% gross	2% gross
Snohomish	2%	7.5% **	10% ***	7.5% **	10%	5% gross
Spokane	2%	5%	15%	5%	5%	10% net

\* Code is correct, but county gambling tax form reflects rate that exceeds maximum rate set by RCW 9.46.110

\*\* Exceeds maximum rate set by RCW 9.46.110

\*\*\* Social card rooms do not pay gambling tax

# County Tax Rates

## Calendar Year 2002 <sup>1</sup>

- This report summarizes the relationship between gross receipts, number of licenses, and gambling taxes in the counties (which includes incorporated cities and unincorporated areas of the county).
- King County has the highest population. They also had more gambling licenses in 2002 than any other county. Pierce County had the second highest number of gambling licenses, which also reflects the second highest population. Snohomish County follows in both population and gambling licenses. Not surprisingly, the total gambling gross receipts in these counties reflect their ranking by number of gambling licenses. Taxes also follow the same ranking for the counties.
- Garfield has the smallest population of any county. It also had the smallest number of gambling licenses (3). Accordingly, gross receipts and taxes for Garfield County were the lowest of all counties in the state.
- In 2002, King County had more punchboard/pull-tab licensees (404) than any other county (includes incorporated cities and unincorporated areas of the county). King County also had more bingo licensees (50) than any other county.
- The number of bingo licensees does not always mean more in gambling tax revenue for the local government. For instance, in Clark County in 2002, there were 12 bingo licensees. Licensees in Clark County reported paying \$173,811 in gambling taxes to their local jurisdiction in 2002 (either an incorporated city or the county). In Spokane County, there were 19 bingo licensees. One might expect higher gambling taxes in this county. However, gambling taxes in Spokane County (both incorporated cities and county) totaled \$142,652 for 2002. In Snohomish County, there were 32 bingo licensees, which totaled \$155,817 in gambling taxes (includes incorporated cities and the county).
- Similarly, the number of licensees does not predict the level of gross receipts or gambling taxes. For instance, in Benton County, there were four house-banked card rooms in 2002. These card rooms generated \$8,017,254 in gross receipts and reported paying gambling taxes of \$807,255 (to the incorporated cities or the county). Thurston County also had four card rooms, but only one was house-banked. These card rooms reported \$4,020,388 in gross receipts and paying \$393,483 in gambling taxes in 2002 (to the incorporated cities or the county).
- The reason there is such disparity for gambling taxes and gross receipts for the number of licensees points to two main factors. First, the various cities and counties have different tax rates. Second, every licensee does not have the same gross receipts. One city with four licensees might have a 2% tax rate for their pull-tabs and another city with the same number of licensees might tax at the maximum rate.

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<sup>1</sup> Because the Association of Washington Cities' survey was for calendar year 2002, we have used calendar year 2002 data for this report.

# Total Gambling Related Taxes\*

## By County

### Based on Calendar Year 2002

County	Population Estimate 2003	Total**** Gambling Licenses	Gross Receipts**	Net Receipts**	Reported Gambling Taxes**	State B&O Taxes***
Adams	16,600	14	\$657,607	\$202,689	\$7,742	\$3,040
Asotin	20,600	13	\$3,222,614	\$1,962,400	\$174,997	\$29,436
Benton	151,600	69	\$21,925,647	\$12,230,262	\$1,138,579	\$183,454
Chelan	67,900	49	\$8,191,025	\$2,407,702	\$35,586	\$36,116
Clallam	65,300	48	\$5,365,143	\$1,655,348	\$93,830	\$24,830
Clark	372,300	115	\$66,531,342	\$40,549,196	\$4,178,224	\$608,238
Columbia	4,100	7	\$615,217	\$169,151	\$9,021	\$2,537
Cowlitz	94,900	66	\$26,055,657	\$11,490,756	\$1,225,067	\$172,361
Douglas	33,600	16	\$5,488,246	\$4,000,724	\$252,291	\$60,011
Ferry	7,300	9	\$723,849	\$239,012	\$14,586	\$3,585
Franklin	53,600	25	\$12,412,397	\$6,526,272	\$702,678	\$97,894
Garfield	2,400	3	\$68,409	\$22,558	\$50	\$338
Grant	77,100	60	\$12,119,269	\$4,750,352	\$350,833	\$71,255
Grays Harbor	68,800	101	\$12,679,525	\$4,984,327	\$363,008	\$74,765
Island	74,000	35	\$7,915,996	\$2,408,893	\$38,114	\$36,133
Jefferson	26,700	23	\$1,208,426	\$408,068	\$2,960	\$6,121
King	1,779,300	585	\$242,304,456	\$138,656,959	\$16,368,004	\$2,079,854
Kitsap	237,000	98	\$26,151,978	\$12,143,707	\$715,927	\$182,156
Kittitas	35,200	41	\$5,421,201	\$2,729,315	\$98,297	\$40,940
Klickitat	19,300	14	\$1,805,254	\$551,666	\$18,001	\$8,275
Lewis	70,400	75	\$9,065,677	\$3,193,149	\$169,415	\$47,897
Lincoln	10,100	12	\$292,717	\$98,086	\$6	\$1,471
Mason	50,200	43	\$6,502,965	\$2,506,703	\$224,344	\$37,601
Okanogan	39,600	41	\$4,289,616	\$1,400,826	\$41,301	\$21,012
Pacific	20,900	46	\$7,570,389	\$3,040,941	\$246,823	\$45,614
Pend Oreille	11,800	16	\$779,862	\$247,332	\$1,197	\$3,710
Pierce	733,700	352	\$112,566,671	\$55,081,422	\$6,280,176	\$826,221
San Juan	14,800	9	\$1,350,776	\$344,776	\$417	\$5,172
Skagit	106,700	74	\$9,729,789	\$3,025,187	\$176,582	\$45,378
Skamania	9,900	5	\$652,938	\$170,990	\$948	\$2,565
Snohomish	637,500	236	\$106,704,340	\$49,819,452	\$5,224,885	\$747,292
Spokane	428,600	227	\$52,783,569	\$25,721,741	\$3,320,568	\$385,826
Stevens	40,600	31	\$1,781,091	\$582,253	\$2,593	\$8,734
Thurston	214,800	87	\$22,028,393	\$9,402,634	\$900,890	\$141,040
Wahkiakum	3,800	3	\$266,855	\$74,719	\$5,839	\$1,121
Walla Walla	55,800	29	\$6,437,879	\$2,054,674	\$147,830	\$30,820
Whatcom	174,500	74	\$31,039,203	\$9,893,302	\$416,879	\$148,400
Whitman	41,000	17	\$677,571	\$201,014	\$3,472	\$3,015
Yakima	226,000	115	\$33,602,476	\$14,209,575	\$1,180,308	\$213,144
<b>Washington State</b>	<b>6,098,300</b>	<b>2,883</b>	<b>\$868,986,035</b>	<b>\$429,158,133</b>	<b>\$44,132,268</b>	<b>\$6,437,372</b>

\*Includes data for cities and unincorporated areas of the county.

\*\*Based on figures from quarterly activity reports submitted by licensees.

\*\*\*Calculated by multiplying net receipts by .015%.

\*\*\*\*Total gambling licenses include bingo, pull-tab, card room, and other licenses.

**Punchboard/Pull-tab Taxes\***  
**By County**  
**Based on Calendar Year 2002**

County	Population Estimate 2003	Number of Pull-Tab Licenses	Gross Receipts**	Net Receipts**	Reported Gambling Taxes**	State B&O Taxes***
Adams	16,600	10	\$653,826	\$201,541	\$7,742	\$3,023
Asotin	20,600	9	\$1,590,193	\$496,023	\$29,295	\$7,440
Benton	151,600	47	\$9,337,171	\$2,773,589	\$275,549	\$41,604
Chelan	67,900	35	\$6,586,583	\$1,953,119	\$34,739	\$29,297
Clallam	65,300	35	\$3,982,960	\$1,213,898	\$85,707	\$18,208
Clark	372,300	98	\$23,840,807	\$7,012,944	\$1,028,521	\$105,194
Columbia	4,100	6	\$585,295	\$166,101	\$8,780	\$2,492
Cowlitz	94,900	55	\$12,478,302	\$3,879,101	\$509,336	\$58,187
Douglas	33,600	14	\$2,052,315	\$654,830	\$3,196	\$9,822
Ferry	7,300	8	\$721,399	\$236,562	\$14,586	\$3,548
Franklin	53,600	20	\$5,215,648	\$1,328,380	\$206,244	\$19,926
Garfield	2,400	3	\$68,409	\$22,558	\$50	\$338
Grant	77,100	45	\$8,422,055	\$2,414,660	\$150,578	\$36,220
Grays Harbor	68,800	86	\$9,977,663	\$3,372,800	\$256,725	\$50,592
Island	74,000	26	\$6,358,385	\$1,612,925	\$30,080	\$24,194
Jefferson	26,700	12	\$1,004,131	\$344,763	\$2,960	\$5,171
King	1,779,300	404	\$113,856,274	\$32,044,706	\$4,992,577	\$480,671
Kitsap	237,000	74	\$15,360,524	\$4,630,026	\$486,532	\$69,450
Kittitas	35,200	32	\$3,800,095	\$1,234,035	\$11,577	\$18,511
Klickitat	19,300	12	\$1,740,970	\$506,478	\$17,620	\$7,597
Lewis	70,400	62	\$7,219,890	\$2,290,547	\$139,877	\$34,358
Lincoln	10,100	10	\$280,288	\$94,363	\$6	\$1,415
Mason	50,200	39	\$5,494,561	\$1,685,079	\$223,165	\$25,276
Okanogan	39,600	35	\$3,855,232	\$1,286,749	\$40,721	\$19,301
Pacific	20,900	36	\$5,106,425	\$1,680,600	\$176,914	\$25,209
Pend Oreille	11,800	15	\$646,208	\$219,366	\$1,197	\$3,290
Pierce	733,700	286	\$66,327,096	\$19,032,250	\$2,502,414	\$285,484
San Juan	14,800	9	\$1,312,224	\$336,316	\$417	\$5,045
Skagit	106,700	64	\$9,260,388	\$2,747,710	\$166,085	\$41,216
Skamania	9,900	3	\$618,088	\$161,405	\$948	\$2,421
Snohomish	637,500	193	\$61,911,083	\$17,560,841	\$2,380,998	\$263,413
Spokane	428,600	174	\$27,132,149	\$7,754,862	\$689,515	\$116,323
Stevens	40,600	25	\$1,605,926	\$533,533	\$2,281	\$8,003
Thurston	214,800	72	\$17,521,752	\$5,204,813	\$502,082	\$78,072
Wahkiakum	3,800	2	\$260,144	\$73,254	\$5,839	\$1,099
Walla Walla	55,800	21	\$3,717,348	\$977,939	\$75,877	\$14,669
Whatcom	174,500	67	\$22,661,742	\$5,634,829	\$194,255	\$84,522
Whitman	41,000	10	\$654,151	\$193,755	\$3,373	\$2,906
Yakima	226,000	83	\$15,636,881	\$4,892,569	\$355,401	\$73,389
<b>Washington State</b>	<b>6,098,300</b>	<b>2,237</b>	<b>\$478,854,581</b>	<b>\$138,459,819</b>	<b>\$15,613,759</b>	<b>\$2,076,897</b>

\*Includes data for cities and unincorporated areas of the county.

\*\*Based on figures from quarterly activity reports submitted by licensees.

\*\*\*Calculated by multiplying net receipts by .015%.

# Bingo Taxes\*

## By County

### Based on Calendar Year 2002

County	Population Estimate 2003	Number of Bingo Licenses	Gross Receipts**	Net Receipts**	Reported Gambling Taxes**	State B&O Taxes***
Adams	16,600	3	\$3,482	\$957	\$0	\$14
Asotin	20,600	1	\$239,037	\$79,023	\$8,168	\$1,185
Benton	151,600	10	\$4,020,345	\$1,066,021	\$55,757	\$15,990
Chelan	67,900	10	\$1,418,245	\$340,658	\$177	\$5,110
Clallam	65,300	13	\$1,197,499	\$309,892	\$8,123	\$4,648
Clark	372,300	12	\$12,454,430	\$3,448,860	\$173,811	\$51,733
Columbia	4,100	1	\$28,776	\$2,411	\$241	\$36
Cowlitz	94,900	10	\$7,867,385	\$2,100,584	\$76,326	\$31,509
Douglas	33,600	2	\$95,485	\$8,126	\$0	\$122
Ferry	7,300	1	\$0	\$0	\$0	\$0
Franklin	53,600	2	\$2,802,897	\$874,905	\$43,745	\$13,124
Garfield	2,400	0	\$0	\$0	\$0	\$0
Grant	77,100	17	\$1,779,305	\$447,325	\$15,424	\$6,710
Grays Harbor	68,800	17	\$1,369,235	\$348,319	\$25,342	\$5,225
Island	74,000	11	\$701,543	\$121,307	\$3,117	\$1,820
Jefferson	26,700	7	\$163,584	\$36,658	\$0	\$550
King	1,779,300	50	\$25,073,442	\$6,192,159	\$311,377	\$92,882
Kitsap	237,000	16	\$4,430,914	\$1,248,949	\$62,455	\$18,734
Kittitas	35,200	3	\$114,442	\$22,909	\$0	\$344
Klickitat	19,300	2	\$16,055	\$1,879	\$0	\$28
Lewis	70,400	10	\$1,313,205	\$385,135	\$834	\$5,777
Lincoln	10,100	1	\$9,877	\$1,771	\$0	\$27
Mason	50,200	5	\$189,754	\$36,050	\$1,179	\$541
Okanogan	39,600	6	\$389,181	\$95,508	\$445	\$1,433
Pacific	20,900	8	\$1,333,846	\$374,857	\$14,065	\$5,623
Pend Oreille	11,800	4	\$125,175	\$24,965	\$0	\$374
Pierce	733,700	30	\$11,964,816	\$3,115,155	\$179,235	\$46,727
San Juan	14,800	2	\$38,552	\$8,460	\$0	\$127
Skagit	106,700	9	\$196,272	\$56,184	\$4,175	\$843
Skamania	9,900	2	\$31,757	\$8,023	\$0	\$120
Snohomish	637,500	32	\$15,313,396	\$3,535,813	\$155,817	\$53,037
Spokane	428,600	19	\$9,989,135	\$2,755,236	\$142,652	\$41,329
Stevens	40,600	6	\$150,268	\$42,080	\$312	\$631
Thurston	214,800	7	\$374,434	\$118,873	\$5,221	\$1,783
Wahkiakum	3,800	1	\$6,711	\$1,465	\$0	\$22
Walla Walla	55,800	5	\$2,227,303	\$642,830	\$32,219	\$9,642
Whatcom	174,500	9	\$5,856,304	\$1,869,080	\$5,645	\$28,036
Whitman	41,000	1	\$0	\$0	\$0	\$0
Yakima	226,000	12	\$10,336,941	\$1,903,023	\$116,751	\$28,545
<b>Washington State</b>	<b>6,098,300</b>	<b>357</b>	<b>\$123,623,028</b>	<b>\$31,625,450</b>	<b>\$1,442,613</b>	<b>\$474,382</b>

\*Includes data for cities and unincorporated areas of the county.

\*\*Based on figures from quarterly activity reports submitted by licensees.

\*\*Calculated by multiplying net receipts by .015%.

NOTE: Small bingo organizations that only operate a few times a year do not pay B&O tax.

# Card Room Taxes\*

## By County

### Based on Calendar Year 2002

County	Population Estimate 2003	Number of Card Room Licenses	Gross Receipts**	Net Receipts**	Reported Gambling Taxes**	State B&O Taxes***
Adams	16,600	0				\$0
Asotin	20,600	1	\$1,372,702	\$1,372,702	\$137,268	\$20,591
Benton	151,600	4	\$8,017,254	\$7,976,784	\$807,255	\$119,652
Chelan	67,900	0				\$0
Clallam	65,300	2	\$3,396	\$3,396		\$51
Clark	372,300	4	\$29,756,097	\$29,756,097	\$2,975,611	\$446,341
Columbia	4,100	0				\$0
Cowlitz	94,900	3	\$5,534,724	\$5,422,453	\$635,619	\$81,337
Douglas	33,600	3	\$3,340,096	\$3,337,696	\$249,095	\$50,065
Ferry	7,300	0				\$0
Franklin	53,600	2	\$4,307,865	\$4,254,265	\$452,392	\$63,814
Garfield	2,400	0				\$0
Grant	77,100	2	\$1,844,036	\$1,844,036	\$184,403	\$27,661
Grays Harbor	68,800	3	\$1,070,456	\$1,068,706	\$75,328	\$16,031
Island	74,000	1	\$29,720	\$29,720		\$446
Jefferson	26,700	1	\$12,580	\$12,580		\$189
King	1,779,300	33	\$97,089,499	\$95,956,375	\$11,022,241	\$1,439,346
Kitsap	237,000	5	\$6,236,717	\$6,215,513	\$166,940	\$93,233
Kittitas	35,200	1	\$1,435,055	\$1,435,055	\$85,180	\$21,526
Klickitat	19,300	1	\$36,221	\$36,221	\$381	\$543
Lewis	70,400	2	\$497,256	\$496,256	\$28,647	\$7,444
Lincoln	10,100	0				\$0
Mason	50,200	1	\$790,183	\$773,408		\$11,601
Okanogan	39,600	3	\$7,046	\$7,046	\$135	\$106
Pacific	20,900	2	\$644,143	\$644,143	\$54,177	\$9,662
Pend Oreille	11,800	0				\$0
Pierce	733,700	12	\$29,723,103	\$29,530,637	\$3,519,446	\$442,960
San Juan	14,800	0				\$0
Skagit	106,700	1	\$209,282	\$186,277	\$5,811	\$2,794
Skamania	9,900	0				\$0
Snohomish	637,500	11	\$28,490,906	\$28,002,297	\$2,685,324	\$420,034
Spokane	428,600	10	\$14,385,540	\$14,295,836	\$2,474,047	\$214,438
Stevens	40,600	0				\$0
Thurston	214,800	4	\$4,020,388	\$4,020,388	\$393,483	\$60,306
Wahkiakum	3,800	0				\$0
Walla Walla	55,800	2	\$390,679	\$377,774	\$37,755	\$5,667
Whatcom	174,500	5	\$2,336,757	\$2,320,273	\$216,758	\$34,804
Whitman	41,000	0				\$0
Yakima	226,000	6	\$7,001,988	\$6,962,507	\$705,080	\$104,438
<b>Washington State</b>	<b>6,098,300</b>	<b>125</b>	<b>\$248,583,689</b>	<b>\$246,338,441</b>	<b>\$26,912,376</b>	<b>\$3,695,077</b>

\*Includes data for cities and unincorporated areas of the county.

\*\*Based on figures from quarterly activity reports submitted by licensees.

\*\*\*Calculated by multiplying net receipts by .015%.

# Local Business (B and O) Tax Rates\*

Effective January 1, 2003

City	Services Rate
Aberdeen	.00375 (e)
Algona	0.0003
Bainbridge Island	0.001
Bellevue	0.001496
Bellingham	.0044 (e)
Black Diamond	0.005 (e)
Bremerton	0.002
Buckley	0.002
Burien	0.0005
Darrington	0.002
DuPont	0.001
Everett	0.001
Hoquiam	0.002
Issaquah	0.001
Kelso	0.002
Lacey	0.002
Lake Forest Park	0.002
Long Beach	0.002
Longview	0.002
Mercer Island	0.001
North Bend	0.002
Ocean Shores	0.002
Olympia	0.002
Pacific	0.002
Port Townsend	0.002
Rainier	0.001
Raymond	0.002
Roy	0.002
Ruston	0.002
Seattle	0.00415 (v)
Shelton	0.001
Snoqualmie	0.0015
Tacoma	.004 (e)
Tumwater	0.002
Westport	.005 (e)
Yelm	0.002
<b>Average</b>	<b>0.00209</b>

(e) = Rate higher than statutory limit because rate was effective prior to January 1, 1982 (i.e., grandfathered) according to the Association of Washington Cities.

(v) = Voter approved increase above statutory limit according to the Association of Washington Cities.

NOTE: Exemptions, deductions, or other exceptions may apply in certain circumstances. Contact the city finance department for more information.

\*Information supplied by the Association of Washington Cities.

# Punchboard/Pull-Tab Taxes in Cities with Separate B and O Tax For Calendar Year 2002

CITY*	NUMBER OF PUNCHBOARD/ PULL-TAB ** LICENSES	Gross Receipts	Net Receipts	Reported Gambling Taxes	State B & O Taxes	City B & O Taxes
ABERDEEN	2	\$4,232,599	\$1,421,853	\$140,961	\$21,328	\$2,133
ALGONA	2	\$454,810	\$143,482	\$23,207	\$2,152	\$43
BELLEVUE	11	\$3,454,891	\$949,443	\$171,767	\$14,242	\$1,420
BLACK DIAMOND	3	\$320,057	\$113,425	\$11,344	\$1,701	\$567
BREMERTON	26	\$4,549,261	\$1,405,764	\$155,920	\$21,086	\$2,812
BUCKLEY	5	\$465,504	\$154,352	\$13,604	\$2,315	\$309
BURIEN	11	\$4,505,207	\$1,355,545	\$183,581	\$20,333	\$678
DARRINGTON	2	\$180,938	\$69,122	\$9,256	\$1,037	\$138
EVERETT	62	\$21,226,289	\$6,001,103	\$799,568	\$90,017	\$6,001
HOQUIAM	13	\$1,294,506	\$469,002	\$34,817	\$7,035	\$938
ISSAQUAH	8	\$1,752,981	\$496,219	\$83,704	\$7,443	\$496
KELSO	12	\$2,366,971	\$760,050	\$96,433	\$11,401	\$1,520
LACEY	10	\$3,065,158	\$888,978	\$120,005	\$13,335	\$1,778
LONG BEACH	8	\$1,485,368	\$468,607	\$68,995	\$7,029	\$937
LONGVIEW	28	\$8,108,753	\$2,487,648	\$328,657	\$37,315	\$4,975
NORTH BEND	5	\$1,714,840	\$479,705	\$78,000	\$7,196	\$959
OCEAN SHORES	8	\$421,048	\$146,915	\$10,514	\$2,204	\$294
OLYMPIA	26	\$6,856,600	\$2,020,518	\$201,312	\$30,308	\$4,041
PACIFIC	1	\$200,992	\$81,538	\$10,019	\$1,223	\$163
PORT TOWNSEND	5	\$344,314	\$128,586	\$0	\$1,929	\$257
RAYMOND	6	\$761,848	\$250,616	\$22,759	\$3,759	\$501
ROY	3	\$410,916	\$288,131	\$12,399	\$4,322	\$576
RUSTON	3	\$123,431	\$40,737	\$6,172	\$611	\$81
SEATTLE	110	\$21,904,214	\$6,344,906	\$1,033,426	\$95,174	\$26,331
SHELTON	16	\$2,610,349	\$824,586	\$850,367	\$12,369	\$825
SNOQUALMIE	2	\$239,305	\$80,331	\$7,708	\$1,205	\$120
TACOMA	122	\$23,982,209	\$6,893,400	\$1,107,602	\$103,401	\$27,574
TUMWATER	5	\$1,448,983	\$458,873	\$43,665	\$6,883	\$918
WESTPORT	7	\$876,517	\$282,131	\$17,043	\$4,232	\$1,411
YELM	7	\$667,055	\$239,548	\$19,382	\$3,593	\$479
<b>TOTALS</b>	<b>529</b>	<b>\$120,025,914</b>	<b>\$35,745,114</b>	<b>\$5,662,187</b>	<b>\$536,177</b>	<b>\$89,276</b>

\* Based on information from the Association of Washington Cities, these cities have a separate B&O tax.

\*\* Includes all licensees in each city, even if the business was sold within the year.

*Either nonprofit or commercial tax rate at maximum (10% of net for nonprofit and either 5% of gross or 10% of net for commercial)*

These cities have a separate B&O tax, but do not have any punchboard/pull-tab activity reported -- Bainbridge Island, Dupont, Lake Forest Park, Mercer Island, and Rainier.

# Card Room Taxes In Cities with Separate B and O Tax For Calendar Year 2002

CITY*	Number of Card Rooms **		Gross Receipts	Net Receipts	Reported	State	City
	Nonhouse-banked	House-banked			Gambling Taxes	B&O Taxes	B&O Taxes
ABERDEEN	1	1	\$1,070,456	\$1,068,706	\$75,328	\$16,031	\$1,603
BREMERTON	2	0	\$132,262	\$132,262	\$19,382	\$1,984	\$265
BURIEN	2	1	\$4,030,796	\$4,013,969	\$464,874	\$60,210	\$2,007
EVERETT	1	4	\$13,876,687	\$13,515,930	\$1,398,252	\$202,739	\$13,516
KELSO	0	1	\$1,687,047	\$1,683,047	\$167,478	\$25,246	\$3,366
LACEY	0	1	\$3,893,210	\$3,893,210	\$389,218	\$58,398	\$7,786
LONG BEACH	0	1	\$561,786	\$561,786	\$53,332	\$8,427	\$1,124
LONGVIEW	2	1	\$3,847,677	\$3,739,406	\$468,141	\$56,091	\$7,479
OLYMPIA	3	0	\$127,178	\$127,178	\$4,265	\$1,908	\$254
PORT TOWNSEND	1	0	\$12,580	\$12,580	\$0	\$189	\$25
TACOMA	3	3	\$4,845,783	\$4,762,142	\$560,952	\$71,432	\$19,049
<b>TOTALS</b>	<b>15</b>	<b>13</b>	<b>\$34,085,462</b>	<b>\$33,510,216</b>	<b>\$3,601,222</b>	<b>\$502,653</b>	<b>\$56,473</b>

\* Based on information from the Association of Washington Cities, these cities have a separate B&O tax rate.

\*\* Includes all licensees in each city, even if the business was sold within the year.

### *Tax Rate at Maximum (20% of gross)*

These cities have a separate B&O tax, but do not have any card room activity reported -- Algonia, Bainbridge Island, Bellevue, Black Diamond, Buckley, Cosmopolis, Darrington, Dupont, Hoquiam, Issaquah, Lake Forest Park, Mercer Island, North Bend, Ocean Shores, Pacific, Rainier, Raymond, Roy, Ruston, Seattle, Shelton, Snoqualmie, Tumwater, Westport, and Yelm.

# Bingo Taxes

## In Cities with Separate B and O Tax

### For Calendar Year 2002

CITY*	NUMBER OF BINGO LICENSEES	Reported				
		Gross Receipts	Net Receipts	Gambling Taxes	State B&O Taxes	City B&O Taxes
<b>ABERDEEN</b>	5	\$791,741	\$198,365	\$19,029	\$2,975	\$298
BELLEVUE	3	\$8,347	\$4,218	\$0	\$63	\$6
BREMERTON	3	\$637,826	\$161,760	\$7,973	\$2,426	\$324
BUCKLEY	1	\$125,785	\$19,100	\$3,906	\$287	\$38
BURIEN	2	\$2,981,246	\$758,207	\$36,080	\$11,373	\$379
EVERETT	7	\$3,843,594	\$864,175	\$30,378	\$12,963	\$864
HOQUIAM	3	\$354,241	\$91,860	\$4,599	\$1,378	\$184
ISSAQUAH	1	\$2,080	\$1,180	\$0	\$18	\$1
KELSO	2	\$350,201	\$70,026	\$4,910	\$1,050	\$140
LACEY	2	\$202,587	\$79,231	\$3,277	\$1,188	\$158
LONGVIEW	4	\$7,417,160	\$2,013,851	\$70,363	\$30,208	\$4,028
NORTH BEND	1	\$11,914	\$2,021	\$0	\$30	\$4
OCEAN SHORES	1	\$59,084	\$16,017	\$320	\$240	\$32
OLYMPIA	1	\$97,744	\$19,172	\$997	\$288	\$38
RAYMOND	4	\$125,757	\$30,775	\$0	\$462	\$62
SEATTLE	13	\$2,389,395	\$570,269	\$35,246	\$8,554	\$2,367
SHELTON	3	\$126,921	\$16,090	\$1,179	\$241	\$16
SNOQUALMIE	1	\$56,497	\$12,908	\$0	\$194	\$19
TACOMA	10	\$9,503,012	\$2,481,999	\$141,464	\$37,230	\$9,928
WESTPORT	2	\$123,336	\$29,943	\$704	\$449	\$150
YELM	1	\$63,746	\$18,953	\$947	\$284	\$38
<b>TOTALS</b>	<b>70</b>	<b>\$29,272,214</b>	<b>\$7,460,120</b>	<b>\$361,372</b>	<b>\$111,902</b>	<b>\$19,074</b>

Tax at Maximum Rate (5% of net)

***Tax Exceeds Maximum Rate***

\* Based on information from the Association of Washington Cities, these cities have a separate B&O tax rate.

These cities have a separate B&O tax, but do not have any bingo activity reported -- Algonia, Bainbridge Island, Black Diamond, Cosmopolis, Darrington, Dupont, Lake Forest Park, Long Beach, Mercer Island, Pacific, Port Townsend, Rainier, Roy, Ruston, and Tumwater.

NOTE: Small bingo organizations that only operate a few times a year do not pay B&O taxes.



## Details for Eight States Surveyed

State Name population (2000 Census)	Activity	Gross Gambling Receipts	Tax Rate	Total Tax (Or Tribal Fee) Reported	Do charity/nonprofits pay taxes?	License fees or Assessments?	Who Collects the Tax?	How are the Taxes Used? How are the Taxes Disbursed (Who Benefits?)	Betting Limits
<b>Arizona</b> 5.1 million FYE-6/30/03	Tribal gaming (Per NIGC, 14 gaming tribes)	Not applicable	Not applicable	12% of tribal contribution goes to local communities; 88% to AZ Benefits Fund	Not applicable	Tribal contribution through compact based on sliding scale (\$8 M or 9%, whichever is greater); new compacts in consideration of exclusivity for Class III machines and gaming for 2002 & 2003 allow 1% first \$25M; 3% next \$50M; 6% next \$50M; 8% over \$100M	Paid quarterly to Department of Gaming	Reimbursement of State Gaming Agency Expenses thru machine assessments, per compact; fees go to general fund.	\$500
	Bingo	\$36.5 M	Class A-2.5% of adjusted gross receipts; Class B- 1.5% of gross receipts; Class C- 2.0% of gross receipts	Fees-\$18,865; taxes- \$603,534	Yes (in addition to Charitable (Qualified) organizations, also have a class of license for recreation purposes at RV parks, Mobile Home park, Senior Citizens center, assisted living establishments)	One-time local fee - \$5- \$25; Class A- \$10 (<\$15,600 annually); B- \$50 (< \$300,000 annually); C- \$200 >\$300,000 annually)	Department of Revenue	General fund	
	Casino nights	Not available	Not available			None			
	Pari-mutuel FYE 2003 (Live & Simulcast)	\$265.6 M	Pari-mutuel taxes	\$628,564	Not applicable	License fees	Department of Racing	Eight separate funds; 33% goes to county fairs livestock & agricultural promotion; 22% each to county fairs racing betterment and breeders award; 11% to the exposition and state fair; 9% county fair racing; 1% each to the stallion award, the administration of the betterment and breeder awards, and agricultural consulting and training	
	County Fairs	\$18.3 M							
	Horse (3 tracks)	\$156.2 M							
	Greyhound (3 tracks)	\$91.1 M							
	Lottery	\$295.6 M	Not available					\$86.8 M for state in 2002; Local transportation assistance fund, county assistance fund, heritage fund, economic development fund, Arizona lottery commissioners, mass transit, and state general fund.	

## Details for Eight States Surveyed

State Name population (2000 Census)	Activity	Gross Gambling Receipts	Tax Rate	Total Tax (Or Tribal Fee) Reported	Do charity/nonprofits pay taxes?	License fees or Assessments?	Who Collects the Tax?	How are the Taxes Used? How are the Taxes Disbursed (Who Benefits?)	Betting Limits
<b>California</b> 33.9 million	Tribal (all Class III games except dice games and roulette) (Per NIGC, 43 gaming tribes) (Per CA Nations Indian Gaming Assoc., 61 compacts)	Gaming Control estimates at between \$5 B and \$6 B in CYE02	Initial \$1,250 one-time device fee, then 10-13% based on number of machines; tax base net win (> 350 slots)	Fees per device	Not applicable	Fees based on # of machines; dispute of what time frame for when to calculate # of machines	Gambling Commission, Goes to Trust Fund	To Commission; greatest portion to regulation then fund for impacted local agencies; city or county shares in license fees; Gambling Anonymous. Revenue sharing for tribes without casinos; each noncompacted tribe receives up to \$1.1 M per year (equal distribution to each based on availability of funds)	No limits
	Card rooms	Not available	See fees	No tax	Not applicable	Annual fee per table; fee per table depends on total number of tables; < 5 tables-fee=\$250; >71 tables fee=\$3,700 per table	CA Gambling Control Commission (fees collected by both the CA Gambling Control Commission and the CA Department of Justice)	Gambling Control Fund to support the CA Gambling Control Commission & CA Department of Justice	No limits
	Bingo	Handled by local jurisdictions							
	Raffles	No tracking	No tracking	No tracking	No tracking	Annual registration fee-\$20	CA Department of Justice	Used to maintain the program	
	Horse Racing	Not available							
	Lottery	\$2.9 B	Not applicable				CA Lottery	34% to Education; 51.9% to prizes; rest to administrative costs	
<b>Colorado</b> 4.3 million	<u>Slot machines, BJ &amp; Poker</u> Limited to Black Hawk, Central City, & Cripple Creek	\$707.2 M FYE03	<u>20% max</u> 0.25% - 20% dependent upon adjusted gross proceeds (net win); .25% to \$2 M, 2% from \$2 M to \$4 M; 4% from \$4 - \$5 M; 11% \$5 - 10 M; 16% \$10 M - \$15 M, 20% over \$15M	\$97.4 M FYE03	Not applicable	Employees-2 yr lic-\$100; renew-\$60; Key mgmt employee-\$250; renew-\$200; casino-\$1,250; casino operator lic-\$1,000; manuf/dist-\$1,000; \$558,962-2002	Division of Gaming in Department of Revenue	After Division of Gaming expenses paid, then remaining cash split: 49.8% general fund; 28% State Historical Society 12% Gilpin & Teller counties 10% the 3 gaming towns 0.2% Travel/Tourism Promotion	\$5

## Details for Eight States Surveyed

State Name population (2000 Census)	Activity	Gross Gambling Receipts	Tax Rate	Total Tax (Or Tribal Fee) Reported	Do charity/nonprofits pay taxes?	License fees or Assessments?	Who Collects the Tax?	How are the Taxes Used? How are the Taxes Disbursed (Who Benefits?)	Betting Limits
CYE-12/31/03	Charitable Gaming Total	\$185.0 M	Fees only	Fees only	No	ANNUAL LICENSE FEES: Manufacturer/supplier- \$600; manufacturer/suppli er agent-\$160; landlord license-\$1,000; raffle, pull- tab, & bingo license- \$62.50; QUARTERLY FEES: Bingo/Raffles/Pull- tabs -- 0.3% of combined gross receipts, if <\$100,000 0.4% if >\$100,000; 1.2% of gross sales for manufacturer/supplier (manufacturers/suppliers paid \$652,948 in 2002)	Secretary of State	Bingo-Raffle Cash Fund for regulation purposes.	
	Detail:								
	Bingo	\$63.6 M		Fees only	No	\$62.50 per year (one fee per all three potential activities)	Secretary of State	Fees-Agency	
	Pull-Tabs	\$114.3 M		Fees only	No	\$62.50 per year (one fee per all)	Secretary of State	Fees-Agency	
	Raffles	\$7.1 M		Fees only	No	\$62.50 per year (one fee per all)	Secretary of State	Fees-Agency	
	Tribal (Per NIGC, 2 gaming tribes)	Not available							\$5
2002	Horse Racing	\$86.5 M	.75% of mutual handle	\$.6 M	Not applicable	\$20,680	Department of Revenue	General Fund	No limits
	Greyhound (3 tracks)	\$132.7 M	4.5% of wagered in state	\$4.4 M	Not applicable	\$15,612	Department of Revenue	General Fund; as of 2003 tracks are charged to fund Racing Div.; allowed to increase take-out % exotics (appr. 20 - 24% total); Commerce City allowed to tax 1% on wager	No limits

## Details for Eight States Surveyed

State Name population (2000 Census)	Activity	Gross Gambling Receipts	Tax Rate	Total Tax (Or Tribal Fee) Reported	Do charity/nonprofits pay taxes?	License fees or Assessments?	Who Collects the Tax?	How are the Taxes Used? How are the Taxes Disbursed (Who Benefits?)	Betting Limits
<b>Michigan</b> 9.9 million	Casinos, Slots	\$1.1B (adjusted gross receipts) CYE02	8.1% net win to state (wager) 9.9% net win to city (wager)	\$29.9M fees (CYE02)  (state wager tax = \$91.1 M CYE02)	Not applicable	Initial fee- \$25M; annual assessment thereafter of 1/3 adjusted by Michigan's CPI (for 2002-\$26.4M); Application fees, fines, etc. (\$2.3 M in CYE02)	State Treasurer collects taxes & fees (taxes remitted daily via Electronic Funds Transfer); go into the State Casino Gaming Fund; administered by the MI Gaming Control Board (city portion of tax goes to city daily via Electronic Funds Transfer)	<b>Annual Fees tied to CPI for Detroit</b> from each of 3 casinos: \$4 M (Municipal Services Fee), 1/3 (Annual State Services Fee), \$2 M to compulsive gambling prevention fund; <b>Taxes:</b> 55% of wager tax goes to police, creating local jobs, public safety programs, anti-gang and youth development programs, programs to enhance quality of life in the city, relief of taxes imposed by the city, capital improvements, and road repairs & improvements; 45% goes to education K-12	No Limits
FYE-9/30/02								Agency & General Fund	
	Charitable Gaming Total	\$429.2 M	Net receipts	\$12.4 M +	Yes, charity game tickets only				
	Detail:								
	Bingo	\$256.7 M	None		Charity game tickets only	\$150 weekly bingo; \$55 small bingo	Michigan Lottery Department Charitable Gaming Division		
	Pull-Tabs (charity game tickets)	\$109.3 M		\$12.4 M	Yes	\$200 per year-fraternal clubs; \$15 per day for qualified organizations	Michigan Lottery Department Charitable Gaming Division	Self-supporting agency; any excess turned over to State General Fund- turned over \$12M 2002	
	Raffles	\$55.3 M (includes charity game tickets sold in conjunction)	None		Charity game tickets only	\$15 small raffles; \$5 (small) & \$50 (large) per drawing date	Michigan Lottery Department Charitable Gaming Division		
	Millionaire Clubs (700 per yr)	\$7.9 M (limited to \$15,000 per night) (includes raffles and charity game tickets sold in conjunction)	None		Charity game tickets only	\$50 license fee per event	Michigan Lottery Department Charitable Gaming Division		
	Pari-mutuels	\$365.2 M (live & simulcast 90%)	Simulcast taxed 3.5%	\$11.7 M	Not applicable	Racing Licenses-\$8,262	Deposited at Department of Treasury; Electronic Funds Transfer from the track; transferred from treasury to Agriculture Equine Fund	Agriculture Equine Fund used for breeder awards; purse supplements; other racing and non-racing programs	No limits (\$2 minimum)

## Details for Eight States Surveyed

State Name population (2000 Census)	Activity	Gross Gambling Receipts	Tax Rate	Total Tax (Or Tribal Fee) Reported	Do charity/nonprofits pay taxes?	License fees or Assessments?	Who Collects the Tax?	How are the Taxes Used? How are the Taxes Disbursed (Who Benefits?)	Betting Limits
	Lottery	\$1.7 B	None	None			Michigan Lottery	35% to education; 52% to prizes; 13% to other	
	Tribal (Per NIGC, 9 gaming tribes)	\$1.0 B appr. (17 tribes; 11 compacted) nearly 14,000 slot machines	Estimated \$1.2 B 8% of net win for electronic games of chance; 2% to local	\$12.6 M (2%) to local fund (for figures available)\$13.3 M (8%) to Strategic Fund in 2002 (for figures available); state portion in consideration of exclusivity	Not applicable	'93 compacts 2% of slots to local as determined by tribe; '98 compacts one casino pay to local board; earlier could have as many as wanted; Soaring Eagle - one compact on governor's desk; two casinos online to begin (20 yrs per compact)	State of Michigan for state portion; locals for 2%	'98 compacted tribes pay semi-annual pmt to Strategic Fund (state economic development) 8% of net win from Class III; 90% of revenue is slots revenue; 10% is table games; each tribe have to make local pmts semi-annually not less than ad volorum tax when taken off tax rolls (equal to 2%)	No limits
<b>Minnesota</b> 4.9 million	Charitable Gaming Total	\$1.4 B FYE02	Graduated tax rate depending on gross receipts (to \$500,000-\$0; \$500,001 to \$700,000-1.7%; \$700,001 to \$900,000-\$3,400+3.4% for gross receipts over \$700,000; \$900,001+-\$10,200 + 5.1%)	\$54 M 2002	Yes	Annual gambling license fee-\$350 (\$100,000+ gross receipts); premise fee \$150+.1% of gross receipts; distributors, manufacturers, salespersons, and owners of halls pay annual fees ranging from \$4,000 to \$9,000 + \$25 per test for equipment & \$100 for item tests--\$1.2M in 2002	Department of Revenue, Special Taxes Division	Lawful Gambling Regulation Account	
CYE-12/31	Detail:								
	Bingo	\$71.9 M	8.5%; tax base-net receipts(locals can also tax up to 3% of gross receipts for regulation)	See above	Yes	\$200 - \$400 site permits		Fees & taxes-state general fund	
	Pull-Tabs	\$1.3 B	1.7% ideal gross collected by wholesaler; graduated tax on gross receipts (local can also tax up to 3% of gross receipts for regulation) with refund for unsold tickets	See above	Yes	\$200 - \$400 site permits		Fees & taxes-state general fund	

## Details for Eight States Surveyed

State Name population (2000 Census)	Activity	Gross Gambling Receipts	Tax Rate	Total Tax (Or Tribal Fee) Reported	Do charity/nonprofits pay taxes?	License fees or Assessments?	Who Collects the Tax?	How are the Taxes Used? How are the Taxes Disbursed (Who Benefits?)	Betting Limits
	Raffles	\$4.3 M	8.5%; tax base-net receipts (local can also tax up to 3% of gross receipts for regulation)	See above	Yes	\$150 site permit		Fees & taxes-state general fund	
	Other	\$19.3 M Paddlewheels \$2.9 M Tipboards	8.5% base-net receipts  local can also tax up to 3% of gross receipts for regulation)	See above	Yes				
	Slots	None							
	Card rooms (in Class A race track)	In FYE02, 14% set aside for purses; total rake \$17.4 M	10% of rake (up to \$6M) set aside for purses unless commission negotiations determine different rate	In 2002, \$2.4 M set aside for purses, \$244,000 for breeders fund.					
	Tribal (18 tribes) 22 compacts; 17 casinos (Per NIGC, 11 gaming tribes)		No Tax	\$.15 M FYE02 (tribal fee)	Not applicable				\$500 (one tribe)
	Lottery (also Powerball)	\$353.29 M FYE03	Not applicable					22.5% of gross receipts goes to the State general fund (\$37.6 M); (10.7% to education (\$37.6 M); 2.8% to the game and fish fund (\$9.9 M); 2.8% to the Natural Resources Fund (\$9.9 M); 6.2% to the Environment and Natural Resources fund (\$21.9 M); 13.2% to administration (\$46.6 M); 5.6% to state environment; a \$1.8M to state-funded compulsive gambling programs	
	Casinos								\$300

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	Pari-mutuels (live & simulcast) also allow card rooms non-house-banked	\$15.3 M (live) \$63.6M (simulcast)	.1% of each \$1 wagered - 6% of takeout (portion withheld by racetrack) first \$12 M is exempt	\$241,000 pari-mutuel tax FY 2002	Not applicable	\$138,000 FYE02	Racing Commission (tax is due within 7 days of collection -- may be collected via Electronic Funds Transfer)	General Fund	
<b>North Dakota</b> .6 million FYE 6/30/03	Charitable Gaming Total Detail:	\$273.3 M	See below	\$3.5 M gaming tax	Yes	May operate in bar; get local site authorization by city; \$150 per license (allows up to 5 sites and one license per jurisdiction)	Attorney General Office, Division of Gaming	97% to General Fund; 3% of gaming & excise tax to local law enforcement	
	Bingo	\$45.1 M	5% state sales tax plus 1% optional city tax based on net receipts (after prizes)	\$2.6 M bingo sales tax	Yes	See above	See above	See above	
	Punchboards & Pull-tabs	\$153.7M	4.5% excise tax on gross proceeds, plus graduated gaming tax on adjusted proceeds (5% on \$200,000; 10% on \$2 - 400,000; 15% on \$4 - 600,000; and 20% over \$600,000)	\$6.6 M excise tax on pull-tabs only	Yes	See above	See above	See above	
	Blackjack	\$64.9 M	Average 7.5% of net proceeds		Yes	See above	See above	See above	\$25
	Raffles	\$3.1 M							
	Other	\$6.5 M							
	Lottery (only multi-state lotteries allowed)	New, just awarded contract							
	Tribal 5 compacts, six casinos. All tribes operate a casino. (Per NIGC, 4 gaming tribes)	Not available							

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State Name population (2000 Census)	Activity	Gross Gambling Receipts	Tax Rate	Total Tax (Or Tribal Fee) Reported	Do charity/nonprofits pay taxes?	License fees or Assessments?	Who Collects the Tax?	How are the Taxes Used? How are the Taxes Disbursed (Who Benefits?)	Betting Limits
	Racing (live & simulcast)	\$172.0 M(now 1/7th)	Win,place,show-3%; exotics-4%		Not applicable		State Treasurer	Win,place,show-2% of each gross \$ wagered goes to general fund and 1% to racing commission; exotics-2.5% to general fund & 1.5% to racing commission	
<b>Oregon</b> 3.4 million	Video Lottery	\$498.7 M	Retailers get % which varies by sales level; impacts amt returned to state; avg 33% goes to state	\$301 M		No, contract with retailers;set up fee appr. \$700 & monthly phone line charge \$100 mo for Video: amusement device tax based on sales (\$60-\$100 per year)	Oregon Lottery, then goes to Department of Revenue	12% goes to operations, and the remaining 56% to the state. Each machine costs \$6,000 - \$10,000 and returns \$1000 per week. Each machine has a 5-year life. Used for: Economic development, natural resources, & schools	\$2
FYE 6/30/03									
	Lottery	\$354.8 M FYE03	Retailers get % which varies by sales level	\$69.8 M				Education, economic development, parks & salmon	
	Charitable Gaming Total	\$68.7 FYE02		\$0.6 M fees only			Agency		
	Detail:								
	Bingo	\$63.1 M	None			Class A-\$100; B- \$50; C-\$20; D-\$20		Fees-Agency	
	Pull-Tabs	Not Applicable							
	Raffles	\$5.3 M				Class A-\$50; B-\$20		Fees-Agency	
	Planet Bingo								
	Other	\$0.2 M							
	Tribal 9 compacts (Per NIGC, 8 gaming tribes)								\$500 - \$1000 (different for each compact)
	Pari-mutuel	\$47.8 M		\$.4 M	Not applicable	\$30 license fee for 1st category; add on of \$6 per category; licenses for 3 year period	Division of Racing, weekly checks; 1,273 licenses (plus 289 mixed)	Operating costs of agency, above budget goes to General Fund	
	Greyhound (1 track)	\$17.2 M		\$.6 M			243 licenses		

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<b>South Dakota</b> .8 million	<u>Bingo, Pull-tabs, Raffles-Not Tracked</u>		5% paid by distributor	Bingo, Pull-Tabs, Raffles Not Tracked		License only manufacturers & distributors		State General Fund	
FYE-6/30/03	<u>Casinos (includes BJ, HB, Player- banked, &amp; slots (\$ .01-\$25))</u>	\$64.1 M gross revenue, \$2.7 M city slot revenue FYE02 (adjusted gross revenue - \$61.4 M)	8%; tax base- adjusted gross revenue	For FY 2003, \$5.8 M device tax; \$5.1 M gross revenue tax; \$.7 city slot tax; \$.1 Application fees; \$.1 License fees		Annual device fee of \$2,000	Commission on Gaming	In FY 2003, 8.5% went to administrative costs of commission. Out of the commission fund, \$100,000 went to the State Historical Preservation Loan and Grant fund. Remaining funds are paid to the City of Deadwood until amount reaches \$6.8 M. In FY 2003, this amount exceeded \$6.8 M, so the remaining amount was distributed 70% to the state General Fund, 10% to municipalities in Lawrence County, 10% to school districts in Lawrence County and 10% to the City of Deadwood. Machines - 50% of gross receipts less cash paid out; then disbursed 40% Department of Tourism, 10% Lawrence County, 50% Commission Fund. Device and Licensing fees go to state Treasury in the Commission Fund.	\$100-Deadwood
	Tribal (Per NIGC, 8 gaming tribes)								\$100 Watertown casino
	Horse Racing (Live & simulcast)	FYE02-\$17.1 M		FYE03-\$ .6 M				Racing fund used to fund in FY 2003: \$250,000 to Department of Social Services, \$.9 M to Department of Agriculture	
	Greyhound Racing (simulcast)	FYE02-\$11.9 M		FYE03-\$ .5 M					
	Amusement Games		4% excise tax on gross receipts			\$12 per machine registration fee	Department of Revenue		