



OFFICE OF FINANCIAL MANAGEMENT

S T A T E O F W A S H I N G T O N

AGENCY CONSOLIDATION STUDY:

GAMBLING COMMISSION

HORSE RACING COMMISSION

LIQUOR CONTROL BOARD

LOTTERY COMMISSION

SECTION 130, CHAPTER 564, LAWS OF 2009

NOVEMBER 2009

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INTRODUCTION

The 2009 Legislature tasked the Office of Financial Management (OFM) with conducting a study on alternatives for consolidating or transferring activities and responsibilities of the Gambling Commission, Horse Racing Commission, Liquor Control Board and Lottery Commission. The 2009-11 operating budget states:

(2) The office of financial management shall conduct a study on alternatives for consolidating or transferring activities and responsibilities of the state lottery commission, state horse racing commission, state liquor control board, and the state gambling commission to achieve cost savings and regulatory efficiencies. In conducting the study, the office of financial management shall consult with the legislative fiscal committees. Further, the office of financial management shall establish an advisory group to include, but not be limited to, representatives of affected businesses, state agencies or entities, local governments, and stakeholder groups. The office of financial management shall submit a final report to the governor and the legislative fiscal committees by November 15, 2009. (Section 130, Chapter 564, Laws of 2009)

As outlined in this report, OFM assessed the feasibility of increased efficiencies and cost savings by looking at key areas for potential consolidation or transfer. This was done in consultation with the Lottery Commission, Horse Racing Commission, Liquor Control Board and Gambling Commission.

Over the years, representatives from the Gambling Commission, Horse Racing Commission, Liquor Control Board and Lottery Commission have been coordinating their activities to improve effectiveness, efficiency and communication. This work group has met at least quarterly to review and coordinate common interests, new proposals and legislation. This will continue to be part of each agency's ongoing process.

There are many examples of positive results from these ongoing, collaborative meetings. For example, the Lottery, Horse Racing and Gambling commissions have cooperated to support prevention of problem gambling. In another example, Gambling Commission agents now work jointly with the Liquor Control Board enforcement staff on underage gambling and drinking emphasis patrols and licensee training. Additionally, the Horse Racing and Lottery commissions have integrated license investigation information from the Gambling Commission and the Liquor Control Board as part of their own licensing decisions; this has shortened and simplified the Lottery Commission's licensing process. There are also data sharing/investigative findings agreements between the four agencies.

In order to complete this study and to reduce duplication of effort, OFM worked with this existing inter-agency workgroup. The inter-agency workgroup was tasked with reviewing the regulatory structures of other states as well as several aspects of their operations for potential cost savings.

OFM also sought input from stakeholders on potential ideas to explore. OFM provided the agencies with a letter to distribute to their stakeholder lists. (See Appendix B for a copy of the

letter and Appendix C for the input we received from stakeholders.) However, when appropriate to the topic, stakeholder comments are included within the report.

AGENCY OVERVIEW

The Gambling Commission, Horse Racing Commission, Liquor Control Board and Lottery Commission currently represent four separate state agencies with distinct histories, purposes and missions.

Created by the Legislature in 1973 in response to widespread corruption, the Gambling Commission's mission is to protect the public by ensuring that gambling is legal and honest. It is primarily a law enforcement agency designed to fulfill the legislative mandate for strict regulation and control to keep the criminal element out of Washington gambling. As a result, about 50 percent of the agency is comprised of commissioned officers. In 1992, the Legislature expanded the Gambling Commission's mission by authorizing it to negotiate and enforce tribal state gaming compacts on behalf of the state.

In 1933, the Horse Racing Commission was established as the regulatory body over pari-mutuel horse racing. The agency's mission is to regulate pari-mutuel horse racing and support the development of the equine industry. It also has an agricultural component by supporting the breeding, keeping and development of horses, and by financially contributing to the fair fund.

The administration of the Liquor Control Board, also created in 1933, includes the general control, management and supervision of all liquor stores (RCW 66.08.020). Its mission is to contribute to the safety and financial stability of our communities by ensuring the responsible sale, and preventing the misuse of, alcohol and tobacco.

The Lottery is required to produce the maximum amount of net revenues consistent with the dignity of the state and general welfare of the people. The Lottery was created in 1982 with a mission to generate revenues for state programs through the sale of lottery products (games).

AGENCY PROFILES				
	Gambling	Horse Racing	Liquor	Lottery
Number of Office Locations	6	6	341	7
Office Locations	Lacey Field offices in: Everett Renton Spokane Tacoma Yakima	Olympia 5 field offices at racetrack locations	Statewide	Olympia Regional sales and validation offices in: Vancouver Federal Way Everett Spokane Yakima
Full-Time Equivalent (FTEs)	160	28.5	1186.6	144.7
FTE Activities	General Service – 71 Commissioned Officers - 81	General Service – 23 Commissioned Officers - 0	General Service – 1425 Commissioned Officers - 78	General Service – 108 Commissioned Officers - 0
Employee Classifications	Non-Represented	Non-Represented -1 Represented - 22 (Washington Federation of State Employees) Exempt - 20	Non-Represented - 353 Represented - 813 (Washington Public Employees Association & United Food and Commercial Workers Union) Exempt - 17	Non-Represented – 75 Represented – 35 (Washington Federation of State Employees) Exempt – 28
Retirement Systems	PERS I, II, III Public Safety Employees Retirement System (PSERS)	PERS I, II, III	PERS I, II, III Public Safety Employees Retirement System (PSERS)	PERS I, II, III

When viewed through the analytical framework of Priorities of Government (POG), three of the agencies contribute to the Economic Vitality results area and two contribute to the Public Safety results area. Yet they all contribute in uniquely separate ways as identified in each agency’s mission statement. Economic vitality is achieved through the sale of lottery tickets, development of the equine industry, and the sale and regulation of liquor. Public safety is achieved by ensuring gambling is legal and honest and through the responsible distribution of alcohol and preventing misuse of alcohol and tobacco products.

While these four agencies are assumed to share some commonality in services, there is little nexus in the delivery of these services.

The Gambling Commission accomplishes its mission by conducting licensing and financial investigations, general enforcement, and tribal regulation and compact negotiations. Its primary activity is using its law enforcement powers to investigate illegal activities, such as theft, cheating, embezzlement and fraud, illegal games and other criminal activities related to gaming. Enforcement activities are initiated by the Commission and public complaints.

The Horse Racing Commission likewise licenses, regulates and supervises gaming activities. However, its activities are specialized to the horse racing industry. While the Commission regulates horseracing wagering, its enforcement activities for race meets focus primarily on human (jockey) and equine health to ensure that technology and medication do not illegally enhance performance. In contrast to the Gambling Commission, the Horse Racing Commission requires a specialized equine industry skills set to identify malfeasance and a continuous on-site presence at race meets to observe the conduct of licensees.

The Liquor Control Board's activities include managing state and contract liquor store operations, liquor warehouse operations and distribution, liquor purchasing and merchandising. Like the Gambling and Horse Racing commissions, the Board also has regulatory components, such as the licensing of liquor manufacturers, importers and wholesalers; the enforcement of the tobacco tax; and the provision of youth access to liquor and tobacco prevention support. However, the large wholesaling and retailing component of the Board sets it apart from the other agencies within this study. It operates 161 state stores, closely regulates the operation of 154 contract liquor stores and operates a wholesale liquor distribution center. No other agency in this study conducts a similar activity; however, wholesale and retail operations represent 73 percent of the State Liquor Control Board's book of business.

The Lottery Commission is unique among these four agencies in that its main business function is to market and sell lottery products to generate revenue. Consequently, a significant portion of its activities are devoted to its own security and operations to guarantee players a secure game. The remainder of its activities focuses on maintaining and increasing its ability to generate these funds. To this end, the Lottery Commission employs a sizable marketing and retail recruitment program. Additionally, it pursues the development of new products and game enhancements, which has recently included moving into multi-state games (MegaMillions and PowerBall).

COMPARISON WITH OTHER STATES

All states allow the sale of alcohol. Forty-eight states allow some form of gambling. A majority of states provide for some form of state involvement in the activities. Throughout these states, there are many regulatory models. Where Washington has consolidated these regulatory activities in the four state agencies, other states have specific functions split between multiple agencies and/or at the local level. For example, the county sheriff in Georgia has authority to issue raffle licenses, the county of Honolulu has a Liquor Commission, and in Oregon, the state police are responsible for tribal gambling while charitable gambling is the responsibility of the Attorney General's Office.

Comparisons between the various approaches to the regulation of these activities are difficult because the licensing, regulation and enforcement are unique in each state. However, no state has combined gambling, liquor, horse racing and lottery into a single agency.

Several states have combined at least one of these functions within a single agency, for example:

Gambling and Horse Racing: Arizona, Maine, New Hampshire, New York and Wisconsin.

Gambling and Lottery: California, Idaho, Massachusetts, Michigan, Ohio, Texas and West Virginia.

Gambling and Liquor: Arkansas, Colorado, Minnesota, Oklahoma and South Dakota.

Gambling, Horse Racing, and Liquor: Florida has combined some of the state agency functions within the Florida Department of Professional Regulation. However, the State Attorney’s Office has a role in answering questions and providing information concerning gambling, local ordinances governing bingo operation and a separate division handles alcohol regulation.

Gambling, Horse Racing, and Lottery: Illinois has combined the state agency functions into the Department of Revenue. However, there is still a gaming board, racing board and lottery within the department.

UNITED STATES REGULATORY COMPARISON OF GAMBLING, HORSE RACING, LOTTERY AND LIQUOR AGENCY FUNCTIONS

Combined Gambling and Horse Racing	Combined Gambling and Lottery	Combined Gambling and Liquor	Combined Gambling, Horse Racing and Lottery	Combined Gambling, Horse Racing, Liquor	Combined Gambling, Horse Racing, Lottery and Liquor
5	7	5	1	1	0

Numbers include District of Columbia

While some states have consolidated a portion of their regulatory functions in these areas, they have not combined all aspects of these functions in one agency. More often, a discrete set of activities are housed within another agency. For example, the state lotteries in Idaho and Ohio have responsibility over charitable gaming (bingo and raffles), but not for-profit or tribal gaming. In California and Michigan, a gambling commission similar to Washington’s is housed within their lottery agency; however, these activities function as separate entities within the larger agency. While some states have merged gambling and liquor activities and regulation within a single agency, these states do not operate monopolies over wholesale or retail sales of spirits like Washington. Therefore, states such as Colorado and Minnesota were able to merge functions because their gambling and liquor regulations are limited to licensing and regulation of retail businesses.

Appendix A provides a summary of the regulatory structure of gambling, horse racing, liquor control and lottery in each of the 50 states. The vast majority of states have organized their gambling, horse racing, lottery and liquor control within four separate agencies, which is the regulatory model in Washington.

The reasons for this similar structure of separate agencies for each of the four areas include: (1) the product or activity being regulated drives unique agency missions, (2) unique features of state law, and (3) the incremental growth in regulating or engaging in these activities. For example, state control over wholesale or retail sales of spirits generally requires a single agency due to the volume of sales. Separate gambling agencies often exist in states where for-profit or tribal gaming is more prevalent.

Consequently, there was no state model to emulate or to gauge the impact of consolidating or merging functions. In contrast, separate agencies for each mission — gambling, horse racing, lottery and liquor control — is the national norm.

AGENCY LICENSE COMPARISON

All four agencies discussed in this study have licensing functions. The diverse combination of individuals, organizations and businesses they license engage in a broad range of activities. These licensed activities include, but are not limited to, amusement games, lottery sales, breweries, simulcast horse racing and electronic gaming devices. As of July 2009, these four agencies licensed a combined 44,806 licensees.

NUMBER OF LICENSEES BY AGENCY				
Gambling Licensees ¹ (as of June 2009)	Horse Racing Licensees ² (as of July 2009)	Liquor Licensees (as of July 2009)	Lottery Retailers (as of June 2009)	Total All Agencies
21,700	3,086	15,890	4,130	44,806

¹There is 2,858 organizations that hold 3,721 licenses. There are 17,979 individual licensees.

²There are 2,354 individuals that hold 3,083 licenses and one for-profit and four non-profit licensed race tracks.

The State Horse Racing Commission and Gambling Commission license or certify over 20,000 individuals. Conversely, the State Liquor Control Board and State Lottery Commission do not license any individuals. And even though the State Liquor Control Board and State Lottery Commission share 3,338 licensees between the two agencies, this number dwindles to 743 when the State Gambling Commission is included. A significant number of the 743 licensees in common hold only an amusement game license from the State Gambling Commission.

However, there are no licensees that have all four agencies in common. As a result, there would be little efficiency gained or cost savings recovered by consolidating the licensing functions of all four agencies.

COMMON LICENSEES OF AGENCIES ¹					
Liquor & Lottery ²	Gambling & Lottery	Gambling & Liquor ³	Gambling, Lottery & Liquor ⁴	Gambling & Horse Racing	Gambling, Lottery, Liquor & Horse Racing
3,338	992	2,082	743	0	0

¹ Gambling can issue multiple licenses to the same commercial or nonprofit organization. The comparison was made by organization. The number of licenses held by a common organization was not factored into the results.

² Businesses that have a liquor and lottery license.

³ Approximately 31% of these common organizations have only a commercial amusement game license issued by the Gambling Commission.

⁴ Approximately 68% of these common organizations have only a commercial amusement game license issued by the Gambling Commission.

Although licensing consolidation would not create efficiencies, there are some changes that can achieve efficiencies that these agencies are currently practicing, as well as additional efficiencies these agencies should consider. For example, the Gambling Commission and Liquor Control Board currently support the Lottery Commission in its licensing and background check process. This allows the Lottery Commission to reduce its licensing process from six weeks to two days and, in many cases, one day.

These four agencies could also increase the use of the Department of Licensing’s Master License Service Program (MLS), which is likely to achieve some efficiency for both agencies and clients. Both the Liquor Control Board and Lottery Commission currently use MLS. Further use of MLS toward licensing determinations for gambling, lottery, and alcoholic beverage license may translate into a more simplistic and shorter overall licensing process that provides better customer service. It would also support the state’s overall goal of creating a single portal for business licensing and registration to promote business creation and expansion. Stakeholders overwhelmingly commented that streamlining the licensing process is an outcome they support.

The Gambling Commission’s fee structure, which has remained largely unchanged since the agency’s inception in 1974, is based on classes. It is the only state agency that has a system primarily based on license classes defined by activities and gross receipts. Most agencies have a flat fee for a license or a percentage fee or tax. Given the complexity of its fee structure, the Gambling Commission will be working with the Department of Licensing to assess the compatibility of the Commission’s fee structure with MLS. Changes to the Gambling Commission’s fee structure would likely require legislation to implement.

AGENCY FINANCIAL COMPARISONS

The accounting structure and revenue sources play an important role in assessing the benefit of consolidation. Agencies with similar structures and revenue sources can generate efficiency savings by combining like functions; whereas consolidating agencies with different accounting structures and revenue sources will result in a combined function without any redundancies to eliminate.

None of the four agencies receives General Fund-State funding. The Lottery Commission is primarily self-funded through lottery ticket sales and license fees. The Liquor Control Board is self-funded by both liquor store retail sales and license fees. The Horse Racing Commission is self-funded through pari-mutuel taxes, license fees and source market fees from advanced deposit wagering. And the Gambling Commission is self-funded through license fees and tribal reimbursements. Since each of these agencies is self-supporting by revenue generated from the individual agencies' activities, little efficiency would result from fund consolidation.

Within the four agencies there are nine separate accounts dedicated for the specific administration of each agency. Of the nine accounts, five are non-appropriated by the Legislature and one is partially non-appropriated.

AGENCY REVENUE PROFILES (FISCAL YEAR 2009)

	Gambling	Horse Racing	Liquor	Lottery
Total GF-State Budget	0	0	0	0
Total Revenues Collected	\$15.1 million	\$3.5 million	\$852 million	\$488 million
Revenues Distributed to Others	Laws and compacts require direct distribution of impact fees or taxes to local jurisdictions by licensees and Tribes	\$429,000 ¹	\$322 million to local governments and GF-State	\$30.7 million in retailer incentives and \$120 million GF-State ¹
Primary Agency Funding	Self-funded through: License Fees Tribal Reimbursements	Self-funded through: Pari-mutuel Taxes License Fees Source Market Fees from Advanced Deposit Wagering (ADW)	Self-funded through: Liquor Store Retail Sales License Fees	Self-funded through: Lottery Ticket Sales
Primary Revenue Collection Method	License Application Fees Tribal Billings	License Fees Pari-mutuel tax paid by Emerald Downs Source Market Fee paid by ADW firms	Licensing fees Mark-up, surcharge and tax on liquor products sold in liquor retail locations Beer and wine manufacturing and distribution tax	Lottery Ticket Sales

AGENCY REVENUE PROFILES (FISCAL YEAR 2009)

	Gambling	Horse Racing	Liquor	Lottery
Fund Types	Non-Appropriated	Non-Appropriated & Appropriated	Non-Appropriated & Appropriated	Non-Appropriated & Appropriated
Primary Funds and Type	Gambling Revolving Fund (Non-appropriated)	Horse Racing Operating Account (Appropriated) Class C Purse Account (Non-appropriated) WA Bred Owners Bonus Fund and Breeder Award Account (Non-appropriated)	Liquor Revolving Fund (partially appropriated/non-appropriated) Construction & Maintenance Fund (Appropriated)	Lottery Account (Non-appropriated) Shared Games Account (Non-appropriated) Lottery Administration (Appropriated)

¹ Does not include prize or purses distributed to individuals

Consolidating or reducing the number of accounts could be accomplished, but would still require a similar level of budget and accounting that exists today. As fee-supported agencies, both revenues and expenditures require separate accounting to prevent cross-subsidization of activities. For example, the Department of Licensing administers the Business and Professions Account, in which fee revenue for 16 licenses are deposited. However, revenues and expenditures for each fee are still separately tracked within the account to ensure that fees paid by one professional are not expended to benefit another.

The same would be true if the accounts of the Gambling Commission, Horse Racing Commission, Liquor Control Board and Lottery Commission were co-mingled. For example, tribal reimbursements for gambling enforcement must still be accounted for that activity and could not be used for other purposes such as liquor store administrative expenses. In addition, both the Lottery and Horse Racing commissions require unique accounts to pay purses and prizes related to their gaming activities. These funds must be separately managed from all other administrative functions and available for immediate distribution.

If agencies were consolidated but the funds were left intact, there would be little, if any, administrative savings in the accounting and budgeting functions. The same activities would exist whether one or all agencies were merged.

Another factor which would complicate fund consolidation is the specialized revenue collection systems used by each agency. The Gambling Commission utilizes its own in-house Gambling Information Management System (GIMS) as its licensing system and its cash receipts recording system. This is a new system tailored specifically for them. GIMS also maintains a separate cost allocation model to determine reimbursement rates for tribes and other entities.

The Liquor Control Board maintains a multiple remote location technology infrastructure which is a highly virtualized server blade environment not supported by Microsoft technology. The primary host utilizes the IBM I Series. This supports the majority of systems within the agency and runs all licensing applications. In addition, retail sales are fed to the I Series through SAP point-of-sale applications, while the distribution center is controlled by a separate infrastructure that is primarily Oracle based. Enforcement feeds information into the I Series, but utilizes a web-based mobile reporting system used by agents in the field.

Lottery Commission sales, draw ticket production, validations and retailer accounting are processed through a third-party vendor. This information is sent to the Lottery Commission electronically and translated into our accounting system, which helps to populate data into the statewide accounting system and Lottery Commission financial documents. This model of using a third-party vendor is unique to the lottery industry and is a best practice. Only sales of Lottery Commission products can be conducted on this system.

REGULATION AND ENFORCEMENT

The four agencies have regulation and enforcement objectives to prevent a criminal element from engaging in the licensed activities. For example, all agencies require a criminal background check prior to licensing. All agencies conduct on-site inspections for compliance. To that end, the agencies have already made efforts to work cooperatively:

- The Liquor Control Board and Gambling Commission coordinate their on-site enforcement activities to reduce the number of visits to business establishments.
- Both the Liquor Control Board and Gambling Commission supports the Lottery Commission's licensing and background check process to reduce the Lottery Commission's licensing process to days.
- The Liquor Control Board established a limited law enforcement academy through the Criminal Justice Training Commission, which is also available to other agencies.

The agencies believe that further savings and improved customer service can be obtained with additional cooperation by:

- Expanding cooperative training for the business community.
- Sharing specialized law enforcement training.
- Sharing electronic device testing services and forensic capability of the Gambling Commission with the Lottery Commission.

However, there was strong stakeholder concern with moving beyond cooperative efforts. The most cited reason was the diversity among the types of licensed activities requires different skills and services from the agencies. While there is a common thread of public safety to their activities, the Gambling Commission, Horse Racing Commission, Liquor Control Board and Lottery Commission engage in different regulatory and enforcement activities specialized to

their agency mission. This specialization is seen as enabling each agency to work at optimal levels.

For example, the Gambling Commission works under a “single agent” concept. Agents work independently, are based statewide and are trained to conduct all facets of gambling regulation and enforcement, including criminal investigations. Agents also work in a co-regulatory environment with tribal regulatory counterparts. Due to the nature of both licensed and illegal gambling activities, gambling special agents must have knowledge in areas such as general law enforcement, gambling operations, financial audits and technology. In contrast, the Liquor Control Board focuses on prevention of sales to minors and over-service in licensed premises, and conducts tobacco tax enforcement for the Department of Revenue. Their officers conduct premise visits, compliance checks and undercover operations in licensed establishments (often with local law enforcement), and provide comprehensive liquor education to licensees and staff to accomplish their public safety mission.

Given the distinct enforcement activities of each agency, up-front costs are likely to consolidate or transfer this duty. Staff would require additional training in each other’s laws, rules and procedures. For example, the Liquor Control Board and Gambling Commission are limited law enforcement agencies. However, Gambling Commission agents are involved in a broad range of criminal investigation that relate to gambling, including bookmaking, animal fighting, theft, money laundering and others. Those costs could lead to an increase in administrative costs (at least in the short-term) that would be passed on to stakeholders through increased fees or rates. We could not assess whether that up-front cost would lead to long-term savings for stakeholders. Several stakeholders noted they believed the specialized powers of each agency generated more efficiency and responsiveness.

BACK OFFICE FUNCTIONS

State government has begun the analysis to adopt a shared services approach to “back office” business processes for all agencies, including those agencies within this study. The focus of this effort is to standardize and consolidate basic business processes such as information technology management, finance, human resources and asset or property management. Several specific initiatives are currently underway in:

- Lease management
- Human resources
- Fleet (auto) management
- Information technology — email and desktop support, server consolidation and virtualization, and data center consolidation

The shared service initiatives are being undertaken to achieve budget savings across state government. We expect to achieve savings from economies of scale, institutionalization of best practices when standardizing business processes and greater ability to develop subject matter expertise and human resource depth.

Additional initiatives are being examined to increase the use of the Small Agency Client Services (SACS) unit of OFM. SACS performs a financial management business process in a shared service model and could help achieve the goals enumerated above for core financial services.

We believe the studied agencies can gain more efficiency through this statewide effort than a separate effort among the four agencies. However, the agencies will continue to look for opportunities such as:

- Using the specialized skills of the other agencies as an alternate to contracting. As an example, the use of the Lottery Commission's marketing/advertising contract for agency messaging opportunities. The Horse Racing Commission has already experienced success with a partnership between Emerald Downs and the Lottery Commission to promote horse racing activities and lottery products.
- Coordinating field office space planning to look for co-location opportunities, which may be more convenient for customers and help drive down overall costs and increases.
- Sharing technology and online processes like electronic investigative notebooks and online payments.

CONCLUSION

Because the four agencies have few licensees or activities in common, consolidation would not likely provide time or cost savings for most clients or licensees. And, as noted by stakeholders, one or two large agencies with multiple responsibilities may not have the ability to be as responsive to their stakeholders and licensees. However, engaging in the following cooperative efforts is more likely to yield benefits:

- Further use of the Master License Service Program (MLS) to move toward licensing determinations for gambling, lottery and alcoholic beverage licenses.
- Sharing specialized law enforcement training to lower costs while increasing the availability of such training.
- Expanding cooperative training for the business community.
- Utilizing specialized skills of other agencies as an alternate to contracting.
- Engaging in the state's shared services initiative to reduce back office costs.
- Coordinating field office space planning to look for co-location opportunities, which may be more convenient for customers and help drive down overall costs and increases.

APPENDIX "": U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Alabama			
Gambling	None		Tribal gaming
	None		<ul style="list-style-type: none"> • Pari-mutuel gambling was legalized for dog racing tracks in Mobile and Greene counties • Bingo parlors
	Governor's Task Force created in 2009	Investigating gambling operations throughout state and eliminating illegal gambling activity.	
Horse Racing	None		Birmingham Racing Commission, Macon County Racing Commission and Mobile County Racing Commission. Pari-mutuel horse racing is <u>only</u> authorized at the county level. Even though horse racing is authorized in these three counties, there are no race tracks in operation.
Lottery	None		No authorized lottery
Liquor	Alcoholic Beverage Control Board	The Alabama ABC Board controls alcoholic beverages through distribution, licensing, and enforcement as well as education. State and federal laws regarding youth access to tobacco are enforced. The Board also operates a chain of retail stores selling the majority of liquor purchased by consumers in Alabama.	Monopoly over wholesale and retail (state and/or contract stores) sale of spirits only.
Alaska			
Gambling	Alaska Department of Revenue Tax Division	Licensing and investigations	<ul style="list-style-type: none"> • Bingo • Pull-tabs • Raffles • Contests of chance by charitable or nonprofit organizations and government.
	Alaska State Legislature	Adding new games	
	Alaska Gaming Commission	The creation of this agency was placed on the statewide ballot in 2008 where it was defeated.	
	None		Tribal gaming
Horse Racing	None		No authorized horse racing
Lottery	None		No authorized lottery

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Liquor	State of Alaska Department of Public Safety, Alcoholic Beverage Control Board	The Alcoholic Beverage Control Board is established as a regulatory and quasi-judicial agency for control of the manufacture, barter, possession, and sale of alcoholic beverages in the state. Alaska is a "license" state with issuance of licenses by the board to private business.	Liquor
Arizona			
Gambling	Arizona Office of the Attorney General	Registration	<ul style="list-style-type: none"> • Amusement gambling • Raffles
	Arizona Department of Revenue Bingo Section	Licensing and background investigations	Bingo
	Arizona Department of Gaming	Background investigations and certification of gaming employees and vendors, tribal investigations and inspections, and annual on-site audits. Pays for a federal casino crimes prosecutor and support staff at the U.S. Attorney's Office.	Tribal gaming (15 tribes; 23 casinos)
Horse Racing	Horse Racing Commission Arizona Horse Racing, a division of the Arizona Department of Gaming		Pari-mutuel horse racing
Lottery	Arizona Lottery		<ul style="list-style-type: none"> • Instant • 3-digit • Powerball • Cash Lotto • Lotto
Liquor	Arizona Department of Liquor Licenses and Control	To vigilantly promote the health, safety and welfare of Arizona citizens by licensing the liquor industry and ensuring compliance with state liquor laws through collaboration, training, adjudication and enforcement.	Liquor
Arkansas			
Gambling	Arkansas Department of Finance and Administration	Background investigations, licensing, inspections and enforcement	<ul style="list-style-type: none"> • Electronic games of skill • Charitable bingo and raffles

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Horse Racing	Arkansas Racing Commission	Licensing and regulation	<ul style="list-style-type: none"> • Pari-mutuel horse racing • Greyhound racing
Lottery	Arkansas Lottery		<ul style="list-style-type: none"> • Instant • On-line games have not started yet
Liquor	Arkansas Department of Finance & Administration, Alcohol Beverage Control Division	The duties of the Alcoholic Beverage Control - Administration Division are to receive applications for and issue, refuse to issue, suspend or revoke permits to manufacture wholesale, retail and transport alcoholic beverages in Arkansas. We also promulgate and adopt rules and regulations necessary to comply with state alcoholic beverage control laws. Also conduct hearings for the purpose of cancellation, suspension or revocation of any and all alcoholic beverage permits.	Liquor
California			
Gambling	California Gambling Control Commission	<ul style="list-style-type: none"> • Suitability determinations, conducting audits, issues licenses, administrates gaming revenues deposited into the Indian Gaming Special Distribution Fund. Issues work permits. 	<ul style="list-style-type: none"> • Gambling card rooms • Bingo • Tribal gaming
	California Department of Justice Bureau of Gambling Control	<ul style="list-style-type: none"> • Enforcement authority, conducts criminal background investigations, and issues licenses. 	Note: A license may be needed from the Bureau and the Control Commission.
	California Office of the Attorney General Division of Gambling Control	<ul style="list-style-type: none"> • Conducts background investigations and compliance inspections. Monitors 91 card game establishments and 60 tribal casinos. Examines legality of gaming devices and equipment 	
	California Office of the Attorney General Charitable Trust Section	Registration	<ul style="list-style-type: none"> • Raffles • Charity poker nights • Bingo
	California Lottery / Security/Law Enforcement Division		<ul style="list-style-type: none"> • Raffles
Horse Racing	California Horse Racing Board	Licensing and regulation	Pari-mutuel horse racing

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Lottery	California Lottery / Security/Law Enforcement Division		<ul style="list-style-type: none"> • Instant • 3-digit • Lotto • Cash Lotto • Fast Keno • Mega Millions
Liquor	California Department of Alcoholic Beverage Control	The Department of Alcoholic Beverage Control administers the provisions of the Alcoholic Beverage Control Act in a manner that fosters and protects the health, safety, welfare, and economic well being of the people of the State.	Liquor
Colorado			
Gambling	Department of Revenue Division of Gaming Colorado Limited Gaming Control Commission	<ul style="list-style-type: none"> • Issues licenses, conducts investigations, and audits and technology approvals • Rulemaking, approval and issuance of licenses, and annually establishes a tax rate 	<ul style="list-style-type: none"> • Slot machines, blackjack, poker, craps and roulette. • Tribal gaming • Charitable games
	Colorado Secretary of State Office	Licensing	<ul style="list-style-type: none"> • Bingo • Raffles
Horse Racing	Department of Revenue, Division of Racing Events, Racing Commission	Licensing and regulation	<ul style="list-style-type: none"> • Pari-mutuel horse racing • Dog racing
Lottery	Colorado Lottery		<ul style="list-style-type: none"> • Instant • Cash Lotto • Powerball • Lotty
Liquor	Department of Revenue, Liquor and Tobacco Enforcement Division	Bring all retailers, distributors, and the general public into compliance with Colorado liquor and tobacco laws through education, training, and enforcement activities.	Liquor

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Connecticut			
Gambling	State of Connecticut Division of Special Revenue Gaming Policy Board. State of Connecticut Department of Public Safety, Police Casino Unit	<ul style="list-style-type: none"> Regulates, issues license, permits, inspects licensed premises, and enforcement. Enforcement 	<ul style="list-style-type: none"> Bingo Bazaars and raffles Sealed tickets (pull-tabs) Greyhound racing Tribal gaming (two tribal casinos)
Horse Racing	None		No authorized horse racing
Lottery	Connecticut Lottery		<ul style="list-style-type: none"> Instant 3-digit and 4-digit Cash Lotto Lotto Powerball
Liquor	State of Connecticut Department of Consumer Protection	<p>Protect citizens from marketplace fraud, unfair business practices, and physical injury from unsafe items. This protection is achieved through licensure, inspection, investigation, enforcement and public education activities in five major areas:</p> <ul style="list-style-type: none"> Food and standards Drugs, cosmetics and medical devices Liquor Occupational and professional licensing Trade practices 	Liquor
Delaware			
Gambling	Department of State: Division of Professional Regulation: Gaming Control Board	Issues licenses and conducts investigations	<ul style="list-style-type: none"> Charitable card games, raffles, Bingo and pull-tabs 5-14-2009: Legislature legalized sports betting & table games, including poker, blackjack, craps, roulette at race tracks.

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Horse Racing	(1) Delaware Thoroughbred Racing Commission (2) Delaware Harness Racing Commission	Licensing and regulation	Pari-mutuel horse racing, both flat track and harness racing.
Lottery	Delaware Lottery		<ul style="list-style-type: none"> • Instant • 3-digit and 4-digit • Powerball • Cash Lotto • VLTs • Raffle
Liquor	State of Delaware, Division of Alcohol and Tobacco Enforcement	To protect the health, safety and welfare of people in Delaware through the enforcement of state liquor and youth access to tobacco laws, while maintaining the highest state of preparedness for responding to threats against homeland security.	Liquor
District of Columbia			
Gambling	Charitable Games Control Board and D.C. Lottery	Licensing and regulation	Charitable Bingo, raffles, Monte Carlo Nights
Horse Racing	None		No authorized horse racing
Lottery	Lottery and Charitable Games Control Board		<ul style="list-style-type: none"> • Lottery • Instant • 3-digit and 4-digit • Powerball • Raffle • Cash Lotto • Fast Keno • Hot Lotto

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Liquor	District of Columbia, Alcoholic Beverage Regulation Administration	The Alcoholic Beverage Regulation Administration (ABRA) is an independent District of Columbia government regulatory agency created by DC law. Issue licenses that enable qualified businesses to serve or sell alcoholic beverages. ABRA monitors compliance with ABC laws and takes appropriate enforcement action when a business violates these laws.	Liquor
Florida			
Gambling	Florida Department of Business and Professional Regulation Division of Pari-mutuel Wagering State Attorney Office	<ul style="list-style-type: none"> • Licensing, auditing, investigations • Provides information and responds to questions. 	<ul style="list-style-type: none"> • Card rooms • Pari-mutuel poker wagering • Slot wagering • Bingo (county/local ordinances govern operations)
	None		Tribal gaming
Horse Racing	Department of Business and Professional Regulation, Division of Pari-mutuel Wagering, Office of Investigations	Licensing and regulation	Pari-mutuel horse racing
Lottery	Florida Lottery		<ul style="list-style-type: none"> • Instant • 3-digit and 4-digit • Raffle • Cash Lotto • Powerball • Lotto
Liquor	Florida Department of Professional Business Regulations, Division of Alcoholic Beverages	Collects and audits taxes and fees paid by the licensees, and enforces the laws and regulation of the alcoholic beverage and tobacco industries. These responsibilities are carried out through three bureaus within the division: Licensing, Auditing and Enforcement.	Liquor

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Georgia			
Gambling	Department of Revenue and Georgia Bureau of Investigation, Investigative Division, Bingo Unit	Licensing enforcement County Sheriff’s Office - Issue licenses and has specific authority to suspend or revoke any license for any violation.	Charitable Bingo Raffles
Horse Racing	None		Horse racing not authorized
Lottery	(1) Georgia Lottery (2) Georgia State Police		<ul style="list-style-type: none"> • Instant • 3-digit and 4-digit • Lotto • Fast Keno • Raffle • Cash Lotto • Mega Millions •
Liquor	Georgia Department of Revenue, Alcohol and Tobacco Division	Provide the best customer service and operational performance of any state taxing authority and the IRS.	Liquor
Hawaii			
Gambling	None		No authorized gambling activity
Horse Racing	None		No authorized horse racing

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Liquor	None, but local agencies: County of Honolulu Honolulu Liquor Commission County of Kauai Dept. of Liquor Control County of Hawaii County of Hawaii Dept. of Liquor Control East Hawaii Dept of Liquor Control West Hawaii Dept of Liquor Control County of Maui Dept. of Liquor Control		Liquor
Idaho			
Gambling	Idaho Lottery Enforcement Division	Responsible for licensing, controlling and regulating bingo games and raffles.	Charitable bingo and raffles
	None		Tribal casinos (class II machines)
Horse Racing	(1) Racing State Racing Commission (2) Idaho State Police	Licensing and regulation	Pari-mutuel horse racing
Lottery	Idaho Lottery		<ul style="list-style-type: none"> • Instant • Pull tabs • 3-digit • Lotto • Raffle • Hot Lotto • Powerball
Liquor	Idaho State Police, Alcohol Beverage Control	Ensuring all establishments selling or producing alcoholic beverages, including liquor, beer, and wine are properly licensed and conform to the law.	Monopoly over wholesale and retail (state or contract store) sale of spirits only

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Illinois			
Gambling	Department of Revenue, Gaming Board	Tax collection agency for state government and for local governments. Duties include audit, legal, enforcement, investigative and financial analysis.	<ul style="list-style-type: none"> • Riverboat gambling • Pull-tabs • Bingo • Charitable Games
Horse Racing	Department of Revenue, Illinois Racing Board	Licensing and regulation	Pari-mutuel horse racing
Lottery	Department of Revenue, Illinois Lottery		<ul style="list-style-type: none"> • Instant • 3-digit and 4-digit • Lotto • Raffle • Cash Lotto • Mega Millions
Liquor	State of Illinois Liquor Control Commission	Reviews and issues state liquor license applications. Enforce state liquor laws.	Liquor
Indiana			
Gambling	Indiana Gaming Control Division (a branch of the Gaming Commission)	Licensing and regulation	<ul style="list-style-type: none"> • Riverboat gambling • Charitable gaming
Horse Racing	Indiana Horse Racing Commission	Licensing and regulation	Pari-mutuel horse racing
Lottery	Indiana Lottery		<ul style="list-style-type: none"> • Instant • Pull tabs • 3-digit and 4-digit • Raffle • Powerball • Cash Lotto • Lotto

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Liquor	Indiana Alcohol and Tobacco Commission	<ul style="list-style-type: none"> To protect the economic welfare, health, peace, and morals of the people of this state To regulate and limit the manufacture, sale, possession, and use of alcohol and alcoholic beverages To regulate the sale, possession, and distribution of tobacco products To provide for the raising of revenue 	Liquor
Iowa			
Gambling	Iowa Department of Public Safety Division of Criminal Investigation (DCI) Gaming Operations Bureau	<ul style="list-style-type: none"> Providing investigative support, conducting criminal investigations, background investigations, and providing regulatory enforcement. Responsible for enforcement of Iowa's laws in reference to illegal gambling, amusement devices, social & charitable gaming, lotteries, and tribal gaming compacts. 	<ul style="list-style-type: none"> Riverboat gambling Amusement games Charitable gaming Tribal gaming
Horse Racing	Iowa Racing and Gaming Commission	Licensing and regulation	Pari-mutuel horse racing
Lottery	Iowa Lottery		<ul style="list-style-type: none"> Cash Lotto 3-digit and 4-digit Powerball Hot Lotto Instant Pull tabs
Liquor	State of Iowa Alcoholic Beverages Division	Effectively regulating the alcohol beverages industry to ensure responsible business practices and to create a favorable economic climate for industry growth and development, while maximizing revenue by maintaining a cost-efficient wholesale distribution system.	Monopolies over wholesale sale of spirits only.
Kansas			
Gambling	Kansas State Gaming Agency	Oversight and monitoring of class III gaming conducted pursuant to tribal-state compacts, monitors	Tribal gaming
Horse Racing	Racing and Gaming Commission	Licensing and regulation	<ul style="list-style-type: none"> Pari-mutuel horse racing Racing casino-style gambling

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Lottery	Kansas Lottery		<ul style="list-style-type: none"> • Instant • Pull tabs • 3-digit • Powerball • Fast Keno • Cash Lotto • Hot Lotto
Liquor	Kansas Department of Revenue, Division of Alcoholic Beverage Control	The ABC Division is the state’s regulatory authority for enforcing Kansas liquor laws through the issue of state licenses and permits, monitoring product flow, conducting compliance reviews of licensed premises and enforcing restrictions on underage access to alcoholic beverages and a variety of other statutory violations.	Liquor
Kentucky			
Gambling	Department of Charitable Gaming	License and regulate the conduct of charitable gaming. Enforcement of penal provisions.	Charitable games
Horse Racing	Kentucky Horse Racing Commission	Licensing and regulation	Pari-mutuel horse racing
Lottery	Kentucky Lottery		<ul style="list-style-type: none"> • Raffle • Cash Lotto • Instant • Pull tabs • 3-digit and 4-digit • Lotto • Powerball
Liquor	Kentucky Department of Alcoholic Beverage Control	Protect the public welfare and interest by regulating the alcoholic beverage industry through licensing, education and enforcement of the pertinent laws and regulations. Special focus to combat youth access to alcohol and tobacco products.	Liquor

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Louisiana			
Gambling	Gaming Enforcement Division, Agents Louisiana State Police	<ul style="list-style-type: none"> Regulation, audit, investigations, licensing and enforcement Enforcement 	Riverboat and land-based casinos
	Louisiana State Police		Tribal gaming
Horse Racing	Louisiana State Racing Commission	Licensing and regulation	Pari-mutuel horse racing
Lottery	Louisiana Lottery		<ul style="list-style-type: none"> Raffle Cash Lotto Instant 3-digit and 4-digit Lotto Powerball
Liquor	Office of Alcohol and Tobacco Control	Provide the state with an effective regulatory system for the alcoholic beverage and tobacco industries, with emphasis on access to underage individuals through efficient and effective education and enforcement efforts.	Liquor
Maine			
Gambling	The Department of Public Safety, Maine Gaming Control Board	Licensing and regulation	Slot machines
Horse Racing	The Department of Public Safety, Maine Gaming Control Board	Licensing and regulation	Horse racing (harness)
Lottery	Maine Lottery		<ul style="list-style-type: none"> Instant 3-digit and 4-digit Raffle Lotto Powerball Cash Lotto

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Liquor	Bureau of Alcoholic Beverages and Lottery Operations	Regulate the beverage alcohol industry to insure responsible business practices and create a favorable economic climate while prohibiting sales to minors. Maine Beverage Company is responsible for warehousing and delivery of spirits to agency stores throughout Maine.	Monopolies over wholesales sale of spirits only. State and/or contract stores.
Maryland			
Gambling	Secretary of State, Charitable Organization Division	Registration and regulation.	Raffles
Horse Racing	Maryland Racing Commission	Licensing and regulation	Pari-mutuel horse racing
Lottery	Maryland State Lottery		<ul style="list-style-type: none"> • Instant • 3-digit and 4-digit • Lotto • Mega Millions • Raffles • Fast Keno • Cash Lotto
Liquor	Montgomery County, MD, Department of Liquor Control	Ensure the lawful sale and use of alcoholic beverages and tobacco products within Montgomery County, Maryland, and to enforce the laws and regulations relating to alcohol and tobacco sales, and alcohol licensing. Includes the issuance of alcoholic beverage licenses. The alcoholic beverage enforcement program includes inspections and/or surveillance investigations of licensed facilities to ensure compliance with all applicable state and county laws, rules, and regulations.	Monopolies over wholesale and retail (state or contract) sale of spirits and wine. State/local government.
Massachusetts			
Gambling	Massachusetts Lottery, Security Division and the Charitable Gaming Division	Regulate charitable gaming activities.	<ul style="list-style-type: none"> • Charitable gaming • Raffles • Pull tabs • Bingo

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Horse Racing	Massachusetts State Racing Commission	Licensing and regulation	Pari-mutuel horse racing
Lottery	Massachusetts Lottery, Security Division		<ul style="list-style-type: none"> • Fast Keno • Raffles • Mega Millions • Cash Lotto • Instant • Pull tabs • 3-digit and 4-digit • Lotto
Liquor	Alcoholic Beverages Control Commission	Responsible for directly licensing or permitting specific participants in the alcoholic beverages industry. Enforces the provisions of the laws and regulations that control the beverage alcohol industry in Massachusetts.	Liquor
Michigan			
Gambling	Gaming Control Board Michigan State Police – Gaming Section	Licensing, regulating, and enforcing casino gambling established in the state. Assists with the licensing and regulation and provide criminal enforcement and public safety at each facility	<ul style="list-style-type: none"> • Casinos • Tribal casinos
	Dept. of Treasury, Bureau of State Lottery, Charitable Gaming Division		<ul style="list-style-type: none"> • Raffle • Bingo • Texas Hold'em
Horse Racing	Dept. of Agriculture, Office of the Racing Commissioner	Licensing and regulation	Pari-mutuel horse racing

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Lottery	Dept. of Treasury, Bureau of State Lottery		<ul style="list-style-type: none"> • Fast Keno • Raffle • Mega Millions • Keno • Instant • Pull tabs • 3-digit and 4-digit • Lotto • Cash Lotto
Liquor	Liquor Control Commission	Regulates the availability of alcoholic beverages for consumption while protecting the consumer and general public through regulation of the related industries.	Monopolies over wholesale sale of spirits only.
Minnesota			
Gambling	Gambling Control Board Department of Public Safety/Alcohol and Gambling Enforcement Division	<ul style="list-style-type: none"> • Licensing and regulation. • Conducts background investigations and criminal investigations 	<ul style="list-style-type: none"> • Pull-tabs • Raffles • Bingo • Tipboards • Paddlewheels • Tribal gaming
Horse Racing	Minnesota Racing Commission	Licensing and regulation	Pari-mutuel horse racing
Lottery	Minnesota Lottery		<ul style="list-style-type: none"> • Instant • 3-digit • Powerball • Raffle • Cash Lotto • Hot Lotto

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Liquor	Minnesota Department of Public Safety, Alcohol and Gambling Enforcement Division	Alcohol Enforcement protects and serves the public through the uniform interpretation and enforcement of the State Liquor Act. It protects the health and safety of the state's youth by enforcing the prohibition against sales to underage people. It operates as a central source of alcohol licenses and violation records, ensuring availability of records to related agencies and the public. It acts to maintain balance and stability in the alcoholic beverage industry through management of liquor licensing, education, enforcement and regulatory programs.	Liquor
Mississippi			
Gambling	Gaming Commission	Licenses, criminal investigations, regulatory enforcement, administrative investigations, compliance inspections	<ul style="list-style-type: none"> • Commercial casinos • Tribal gaming • Charitable bingo
Horse Racing	None		Horse racing not authorized
Lottery	None		No authorized lottery
Liquor	Mississippi State Tax Commission, Office of Alcoholic Beverage Control	Regulating the legal and responsible dispensing of alcoholic beverages within the state. Issues liquor licenses, enforces liquor laws.	Monopolies over wholesale sale of spirits and wine.
Missouri			
Gambling	Missouri Gaming Commission Missouri State Highway Patrol – Gaming Division	<ul style="list-style-type: none"> • Licensing • Criminal and regulatory enforcement 	<ul style="list-style-type: none"> • Casinos • Tribal casinos • Charitable gaming
Horse Racing	None		No authorized horse racing

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Lottery	Missouri Lottery		<ul style="list-style-type: none"> • Raffle • Cash Lotto • Keno • Instant • Pull tabs • 3-digit and 4-digit • Lotto • Powerball
Liquor	Missouri Division of Alcohol and Tobacco Control	The liquor control laws and the state's system of alcoholic beverage regulations are designed to ensure the public health and safety as affected by alcoholic beverages. ATC supervises the collection of state revenue derived from alcoholic beverage excise taxes and license fees. Additionally, state statutes mandate that ATC protect the consumer from tainted alcoholic beverages and the liquor industry from infiltration and exploitation by the criminal element. The Division enforces the tobacco laws.	Liquor
Montana			
Gambling	Department of Justice – Gambling Control Division	Regulation, collecting gambling revenue for state and local governments. Performs criminal background checks and conducts suitability and financial investigations, and conducts criminal and administrative investigations	<ul style="list-style-type: none"> • Video poker • Card games • Raffles • Bingo • Sports pools • Keno • Tribal gaming
Horse Racing	State of Montana Board of Horse Racing	Licensing and regulation	Pari-mutuel horse racing
Lottery	Montana Lottery		<ul style="list-style-type: none"> • Instant • Lotto • Raffle • Hot Lotto • Cash Lotto • Powerball

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Liquor	Department of Revenue, Liquor Control Division	Administers the state alcoholic beverage code, which governs the control, sale and distribution of alcoholic beverages. The division includes liquor distribution and liquor licensing.	Monopolies over whole sales of spirits only. Agency stores.
Nebraska			
Gambling	Department of Revenue – Charitable Gaming Division	Licensing, administration, investigation, and enforcement.	<ul style="list-style-type: none"> • Bingo • Pickle cards • Raffles
Horse Racing	Nebraska State Racing Commission	Licensing and regulation	Pari-mutuel horse racing
Lottery	Nebraska Lottery/ Dept. of Revenue		<ul style="list-style-type: none"> • Instant • 3-digit • Cash Lotto • Powerball
Liquor	Nebraska Liquor Control Commission	Licensing and Enforcement Division	Liquor
Nevada			
Gambling	Gaming Control Board, Enforcement Division,	Seven divisions: Investigations; Corporate Securities; Technology; Audit; Enforcement; Tax and License; and Administration.	<ul style="list-style-type: none"> • Casinos • Tribal casinos
Horse Racing	Nevada Racing Commission	Licensing & regulation	Pari-mutuel horse racing
Lottery	None		No authorized lottery
Liquor	Nevada Department of Taxation	Administers the collection of nearly \$4 billion annually in state and local government revenue from 19 different taxes.	Liquor
New Hampshire			
Gambling	Racing and Charitable Gaming Commission Office of the Attorney General	<ul style="list-style-type: none"> • License and regulation. • Enforcement 	<ul style="list-style-type: none"> • Charitable games • Games of Chance

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Horse Racing	Racing and Charitable Gaming Commission	Licensing & regulation	Pari-mutuel horse racing
Lottery	New Hampshire Lottery		<ul style="list-style-type: none"> • Instant • 3-digit and 4-digit • Lotto • Raffle • Hot Lotto • Cash Lotto • Powerball
Liquor	New Hampshire State Liquor Commission	Regulates the sale of alcohol; directly controls distribution of alcoholic beverages; responsible for regulation of alcoholic beverages.	Monopolies over wholesale and retail (state and/or agency stores) sale of spirits and wine
New Jersey			
Gambling	<p>The Casino Control Commission</p> <p>Office of the Attorney General, Division of Gaming Enforcement</p>	<ul style="list-style-type: none"> • Issues licenses, on-site monitoring of casinos. Acts in a quasi-judicial manner ruling on those applications and assessing penalties for any regulatory violations. • Conducts investigations into license applicants and reports the results to the commission. Acts as the police/prosecuting agency 	Casinos
Horse Racing	New Jersey Racing Commission	Licensing and regulation	Pari-mutuel horse racing
Lottery	New Jersey Lottery		<ul style="list-style-type: none"> • Instant • 3-digit and 4-digit • Raffle • Mega Millions • Cash Lotto • Lotto

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Liquor	Department of Law and Public Safety, Office of the Attorney General, Division of Alcoholic Beverage Control	Charged with regulating the commerce of alcoholic beverages within the State. Department of Law and Public Safety under the New Jersey Attorney General.	Liquor
New Mexico			
Gambling	Gaming Control Board Enforcement Division	Investigating and enforcing violations of the laws and regulations, monitoring tribal gaming, licensing and certification. Conducts compliance audits	<ul style="list-style-type: none"> • Tribal casinos • Bingo and Raffle
Horse Racing	New Mexico Racing Commission	Licensing and regulation	Pari-mutuel horse racing
Lottery	New Mexico Lottery		<ul style="list-style-type: none"> • Instant • 3-digit and 4-digit • Raffle • Powerball • Cash Lotto
Liquor	New Mexico Regulation and Licensing Department, Alcohol and Gaming Division	<p>The Division administers the licensing provisions of the New Mexico Liquor Control Act. The Special Investigations Division of the Department of Public Safety administers the enforcement provisions of Liquor Control Act.</p> <p>Regulate the sale, service, and public consumption of alcoholic beverages.</p>	Liquor
New York			
Gambling	State Racing and Wagering Board	Licensing, regulation and investigations	<ul style="list-style-type: none"> • Bingo • Games of chance • Off Track Betting
	State Racing and Wagering Board	<ul style="list-style-type: none"> • Twenty-four hour presence within the gaming facilities of the Class III facilities. Conducts background investigations 	<ul style="list-style-type: none"> • Tribal gaming
	New York State Police	<ul style="list-style-type: none"> • Enforcement services to certain tribal casinos. 	

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Horse Racing	State Racing and Wagering Board	Licensing and regulation	Pari-mutuel horse racing
Lottery	New York Lottery		<ul style="list-style-type: none"> • Instant • 3-digit and 4-digit • Lotto • Mega Millions • Cash Lotto • Fast Keno • Raffle • VLTs • Keno
Liquor	No state liquor agency		Liquor
North Carolina			
Gambling	Department of Crime Control and Public Safety, Division of Alcohol Law Enforcement.	Enforce the state's gambling laws and responsible for licensing and oversight and conduct annual audits of financial records.	Charitable raffles and Bingo
Horse Racing	None		Horse racing not authorized
Lottery	North Carolina Lottery		<ul style="list-style-type: none"> • Instant • 3-digit • Raffle • Cash Lotto • Powerball
Liquor	Department of Commerce, Department of Alcohol Beverage Control Commission	Uniform control over the sale, transportation, distribution, manufacture, consumption and possession of alcohol beverages.	Monopolies over wholesale and retail (state or contract), sale of spirits only. State/local government.
North Dakota			
Gambling	Attorney General's Office, Gaming Division	Regulation, enforcement, performs audits and conducts investigations, issues administrative complaints; conducts criminal history record checks and ensures compliance with tribal-state casino gaming compacts.	<ul style="list-style-type: none"> • Charitable Games of Chance (Poker, Punchboards and pull tabs, Paddlewheels, Sports pools, Raffles) • Tribal Gaming

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Horse Racing	North Dakota Racing Commission	Licensing & regulation	Pari-mutuel horse racing
Lottery	North Dakota Lottery/ Attorney General's Office		<ul style="list-style-type: none"> • Cash Lotto • Hot Lotto • Powerball
Liquor	No state liquor agency		Liquor
Ohio			
Gambling	Ohio Lottery Commission Office of Charitable Gaming	Licensing and conducting on-site compliance	Charitable Bingo
Horse Racing	Ohio State Racing Commission	Licensing and regulation	Pari-mutuel horse racing
Lottery	The Ohio Lottery Commission		
Liquor	Department of Commerce, Division of Liquor Control	Responsible for controlling the manufacture, distribution, licensing, regulation, of beer, wine, mixed beverages, and spirituous liquor within Ohio. Issuance of permits to manufacturers, distributors and retailers	Monopolies over wholesale and retail sale of spirits only. Agency stores
Oklahoma			
Gambling	Oklahoma Office of State Finance, Gaming Compliance Unit	Minimal regulatory requirements and oversight responsibility.	Tribal gaming
Gambling	Alcoholic Beverage Laws Enforcement (ABLE) Commission	Licensing, administration, and enforcement	Electronic amusement games, electronic bonanza style bingo games, electronic instant bingo, and non-house banked card games
Horse Racing	Oklahoma Horse Racing Commission	Licensing and regulation	Pari-mutuel horse racing
Lottery	Oklahoma Lottery		<ul style="list-style-type: none"> • Instant • 3-digit • Raffle • Cash Lotto • Powerball

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Liquor	Alcoholic Beverage Laws Enforcement Commission	Licensing and regulation	Liquor
Oregon			
Gambling	Oregon State Police. Gaming Enforcement Division	Enforcement	Tribal gaming
	Oregon Department of Justice Civil Enforcement Division. Attorney General	Regulation, audit and conducts records inspections; also investigates and initiates civil legal actions.	Charitable Bingo, raffles, and Monte Carlo
Horse Racing	Oregon Racing Commission	Licensing and regulation	Pari-mutuel horse racing and dog racing
Lottery	Oregon Lottery / Oregon State Police		<ul style="list-style-type: none"> • Instant • Pull tabs • VLTs • Fast Keno • 4-digit • Lotto • Powerball
Liquor	Liquor Control Commission	Promote public interest through the responsible sales and service of alcoholic beverages.	Monopolies over wholesale and retail (contract liquor stores) sale of spirits.
Pennsylvania			
Gambling	Pennsylvania Gaming Control Board	Licensing, enforcement and regulation	Slots
Horse Racing	(1) Pennsylvania State Horse Racing Commission (2) Pennsylvania State Harness Racing Commission	Licensing & regulations	Pari-mutuel horse racing, both flat track and harness racing

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Lottery	Pennsylvania Lottery		<ul style="list-style-type: none"> • Instant • 3-digit and 4-digit • Raffle • Lotto • Powerball • Cash Lotto
Liquor	Pennsylvania Liquor Control Board	Manages the beverage alcohol industry. Responsible for all licensing and retailing as well as educational program on the effects of alcohol.	Monopolies over wholesale and retail (state or contract) sale of spirits and wine
Rhode Island			
Gambling	Rhode Island State Police, Charitable Gaming Unit	License, regulate, supervise and exercise general control over the operation of bingo and permitted games of chance, investigate ownership or control of any licenses and to revoke or suspend any license for just cause after hearing.	<ul style="list-style-type: none"> • Charitable raffles • Bazaars • Bingo
Horse Racing	None		<ul style="list-style-type: none"> • Horse racing not authorized
Lottery	Rhode Island Lottery		<ul style="list-style-type: none"> • Instant • VLTs • Powerball • Cash Lotto • Fast Keno • 3-digit and 4-digit
Liquor	Rhode Island Department of Business Regulation, Division of Commercial Licensing and Regulation	The Mission of the Rhode Island Department of Business Regulation is to assist, educate, and protect the public through the implementation and enforcement of state laws mandating regulation and licensing of designated businesses, professions, occupations, and other specific activities while recognizing the need to foster a sound business environment.	Liquor

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
South Carolina			
Gambling	South Carolina Department of Revenue	Bingo licensing and enforcement	Bingo
Horse Racing	None		Horse racing not authorized
Lottery	South Carolina Education Lottery		<ul style="list-style-type: none"> • Instant • Raffle • Powerball • Cash Lotto • 3-digit and 4-digit
Liquor	South Carolina Department of Revenue and Taxation, Alcohol Beverage Licensing Section	Alcohol Beverage Licensing	Liquor
South Dakota			
Gambling	Department of Revenue & Regulation, Gaming Commission, Enforcement Division	Conducts background investigations, criminal investigations and responsible for matters relating to Tribal gaming.	<ul style="list-style-type: none"> • Blackjack • Poker • Slots • Tribal gaming
Horse Racing	South Dakota Commission on Gaming	Licensing and regulation	Pari-mutuel horse racing
Lottery	South Dakota Lottery		<ul style="list-style-type: none"> • Instant • Raffle • VLTs • Cash Lotto • Lotto • Powerball • Hot Lotto

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Liquor	South Dakota Department of Revenue and Regulation, Gaming Commission	The Enforcement Division is responsible for conducting background investigations and criminal investigations relating to limited gaming. The Enforcement Division is also responsible for matters relating to Tribal gaming, pari-mutuel and simulcast racing.	Liquor
Tennessee			
Gambling	None		No authorized gambling
Horse Racing	None		Horse racing not authorized
Lottery	Tennessee Education Lottery		<ul style="list-style-type: none"> • Instant • Raffle • 3-digit and 4-digit • Lotto • Powerball
Liquor	Tennessee Alcoholic Beverage Commission	The Tennessee Alcoholic Beverage Commission is a law enforcement agency with regulatory duties. Its jurisdiction includes licensing entities throughout the state to sale and to distribute alcoholic beverages; enforcing criminal statutes prohibiting the illegal manufacture, sale and distribution of alcoholic beverages; as well as criminal enforcement jurisdiction over certain controlled substances.	Liquor
Texas			
Gambling	Texas Lottery Commission Charitable Bingo Operations Division	Issues licenses, regulates the accounting and audit operations of charitable bingo activities.	Charitable Bingo
Horse Racing	Texas Racing Commission	Licensing & regulation	Pari-mutuel horse racing
Lottery	Texas Lottery		<ul style="list-style-type: none"> • Instant • 3-digit • Lotto • Cash Lotto • Mega Millions

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Liquor	Texas Alcoholic Beverage Commission	Regulates all phases of the alcoholic beverage industry in Texas. The duties of the commission include regulating sales, taxation, importation, manufacturing, transporting, and advertising of alcoholic beverages.	Liquor
Utah			
Gambling	None		No authorized gambling
Horse Racing	None		Horse racing not authorized
Lottery	No Lottery		No lottery authorized
Liquor	Utah Department of Alcoholic Beverage Control	By keeping liquor out of the private marketplace, no economic incentives are created to maximize sales, open more liquor stores or sell to underage persons. Instead, all policy incentives to promote moderation and to enforce existing liquor laws are enhanced.	Monopolies over wholesale and retail (state or contract stores) sale of spirits and wine.
Vermont			
Gambling	None		No authorized gambling
Horse Racing	None		Horse racing not authorized
Lottery	Vermont Lottery Commission		<ul style="list-style-type: none"> • Instant • Raffle • Cash Lotto • 3-digit and 4-digit • Lotto
Liquor	Department of Liquor Control	Purchase, distribute, and sell distilled spirits through agency stores, enforces alcohol and tobacco statues.	Monopolies over wholesale and retail (agency stores) sale of spirits only
Virginia			
Gambling	Department of Agriculture & Consumer Services, Division of Charitable Gaming	Enforcement, inspections, audits, game training and licensing unit.	Charitable Bingo and raffles
Horse Racing	Virginia Racing Commission	Licensing and regulation	Pari-mutuel horse racing

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Lottery	Virginia Lottery		<ul style="list-style-type: none"> • Instant • 3-digit and 4-digit • Raffle • Lotto • Mega Millions • Cash Lotto
Liquor	Department of Revenue, Alcohol Beverage Control Administration	Control the distribution of alcohol beverages, operate efficient and convenient retail outlets, and enforce the laws pertaining to alcoholic beverages and youth access to tobacco.	Monopolies over wholesale and retail (state or contract store) sale of spirits only. State/local government
Washington			
Gambling	Washington State Gambling Commission		<ul style="list-style-type: none"> • Commercial stimulant • Cardrooms • Charitable bingo and raffle • Tribal gaming • Amusement games
Horse Racing	Washington Horse Racing Commission	Licensing and regulation	Pari-mutuel horse racing
Lottery	Washington State Lottery		<ul style="list-style-type: none"> • Instant • 3-digit, 4-digit, and 5-digit • Raffle • Lotto • Mega Millions • Keno
Liquor	Washington State Liquor Control Board	Contribute to the safety and financial stability of our communities by ensuring the responsible sale, and preventing the misuse of, alcohol and tobacco.	<ul style="list-style-type: none"> • State, contract, tribal and military spirit retail stores • Licensing • Retail enforcement • Tobacco tax enforcement
West Virginia			
Gambling	Lottery Commission		Table games at pari-mutuel facilities may include poker, pai gow poker, Caribbean stud poker, Spanish 21, and big 6 wheel.

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Horse Racing	West Virginia Racing Commission	Licensing and regulation	Pari-mutuel horse racing
Lottery	Lottery Commission		<ul style="list-style-type: none"> • Instant • 3-digit and 4-digit • VLTs • Cash Lotto • Fast Keno • Powerball • Hot Lotto
Liquor	Alcohol Beverage Control Administration	Sell and control the use of alcoholic beverages and to enforce the laws and regulations regarding alcoholic beverages.	Monopolies over wholesale sale of spirits only
Wisconsin			
Gambling	Department of Administration, Division of Gaming Division of Gaming, Office of Indian Gaming and Regulatory Compliance	<ul style="list-style-type: none"> • Licensing and regulation of bingo and raffles, and registration of crane games that are distributed by private vendors for amusement purposes. • Responsible for state portion of the tribal gaming oversight required by compacts. 	<ul style="list-style-type: none"> • Charitable bingo and raffles • Crane games • Tribal gaming
Horse Racing	Dept. of Administration, Division of Gaming	Licensing and regulation	Pari-mutuel horse racing
Lottery	Wisconsin Lottery		<ul style="list-style-type: none"> • Raffle • Cash Lotto • Instant • Pull tabs • 3-digit and 4-digit • Lotto • Powerball

APPENDIX " : U.S. STATE REGULATORY COMPARISON

State	State Regulatory Agency	Responsibility (Licensing, Enforcement, Retail, etc.)	Activity
Liquor	Wisconsin Department of Revenue, Alcohol and Tobacco Enforcement	Issues retail licenses	Liquor
Wyoming			
Gambling	None		No gambling authorized
Horse Racing	Wyoming Pari-mutuel Commission	Licensing and regulation	Pari-mutuel horse racing
Lottery	None		No authorized lottery
Liquor	Department of Revenue, Liquor Distribution Division	Administration and collection of mineral and excise taxes as well as the valuation of property and the wholesale distribution of alcohol beverages and enforcement of liquor laws.	Monopolies over wholesale sale of spirits only.



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555

October 26, 2009

Dear Stakeholder:

The 2009–11 biennial budget (Engrossed Substitute House Bill 1244) directed the Office of Financial Management (OFM) to review alternatives for consolidating or transferring activities and responsibilities of the State Lottery Commission, State Horse Racing Commission, State Liquor Control Board, and State Gambling Commission to achieve cost savings and regulatory efficiencies.

To that end, OFM has been working with an interagency workgroup on this review. However, as a stakeholder of these agencies, you have a unique perspective on their operations. Therefore, we are writing to seek your assistance and solicit your ideas.

What activities and responsibilities of these commissions/board and their agencies would you suggest being consolidated or transferred to reduce costs or achieve efficiencies? Do you think they are functioning at optimal level and changes would be detrimental? Is there another way to deliver these services within or among the commissions/board and their agencies?

A number of government reform efforts are already under way. For example, the State Auditor's Office State Government Performance Review is looking into whether there are more effective, efficient, or economical options to sell and distribute liquor in Washington. The Governor and the State Auditor's Office are also reviewing ways for state agencies to reduce costs in shared services in information technology, property management, and human resources. OFM's review is not intended to duplicate those efforts. Therefore, we would appreciate your focusing on the questions presented above and the criteria of the proviso. You are not obligated to respond, but your input is very welcome.

Because we are asking for input from a broad and diverse set of stakeholders, we request that you submit your response in writing. Please send your letters or email by **Monday, November 9** to:

Email to: GamblingHorseLiquorLotteryReview@ofm.wa.gov

Mail to: Gambling, Horse, Liquor, Lottery Review
c/o Director's Office
Office of Financial Management
P.O. Box 43113
Olympia, WA 98504-3113

Thank you in advance for your participation.

Columbia Center Rotary



November 5, 2009

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Gambling, Horse, Liquor, Lottery Review
 c/o Directors Office
 Office of Financial Management
 P.O. Box 43113
 Olympia, WA 98504-3113

OFM DIRECTOR'S OFFICE

First of all I would like to thank you for, not only your efforts to reduce government expenses, but also for providing us an opportunity to be a part of that process.

Our experiences with the Washington State Gambling Commission over 17 years have been excellent. Beginning with the initial licensing process and continuing with preparation for an upcoming audit, WSGC staff have always been knowledgeable, helpful and professional. We have not had any interaction with the other agencies being considered for consolidation or sharing of activities.

Our primary concern is in maintaining the level of service and support that we have always received at the local level, specifically, our local Enforcement Officer and Regional office. There are enough unique rules, regulations and issues related to WSGC activities that, in our opinion, make it imperative to maintain specialized support staff at these levels.

However, we feel that some economies of scale could probably be achieved in the areas of administration, record keeping and specifically information technology. As a business operator, we not only file our payroll tax and use tax returns electronically, but also make payments electronically. We feel the WSGC, could not only save money, but also provide better service by initiating report filing on line as well as disseminating info electronically.

Again, thanks for the opportunity to provide our input.

Sincerely,

A handwritten signature in cursive script that reads "Janelle Harvey".

Janelle Harvey, President
 Rotary Club of Columbia Center



Gasperetti's Distributing Inc.
with a focus on integrity & opportunity

November 5, 2009

Gambling, Horse, Liquor, Lottery Review
c/o Director's Office
Office of Financial Management
P.O. Box 43113
Olympia, WA 98504-3113

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OFM DIRECTOR'S OFFICE

Dear Sir

It is the opinion of Gasperetti's Distributing, Inc., that the licensing for both the State Liquor Control Board and State Gambling Commission be consolidated into one agency.

Thank you for the opportunity to provide input on this matter.

Mark E. Wood
President

From: Travis at Team Casino [travis@teamcasino.net]
Sent: Wednesday, November 11, 2009 3:54 PM
To: GamblingHorseLiquorLotteryReview
Subject: GHLL Review Feedback

Hello – As a licensed provider of casino party equipment for fundraisers and private all-for-fun casino parties, we received a letter asking for feedback on how the system can be more efficient.

My simple feedback is this:

For some reason, the state of Washington requires us to notify them of any casino party we do whether it for a registered non-profit that is using the function as a fundraiser or for a private group that is doing a casino night for a birthday party or company holiday party.

There is no need to notify the state when a group is having a private function in which no money is trading hands, or no “consideration” is happening, for playing the casino games. We give all the guests a bunch of funny money for free, they play, have a great time, and at the end usually the host will have a prize or something to win. If staff are processing these notifications of events, that seems like a real waste of time.

I would agree that processing of casino night fundraisers needs to be done to make sure groups raising monies are indeed registered non-profits and that contractors who supply tables and dealers are licensed and understand the rules in which the games must be done. I know that in Oregon, one woman with the Dept of Justice handles most if not all of these license applications – called Monte Carlo Licenses in Oregon.

I think there are some outdated rules in which non-profits need to comply by that may be a waste of time in governing.

Let me know if I can provide any expanded help.

Travis Fryback
Team Casino Inc
Eugene: 541 726-8222
Bend: 541 382-3362
travis@teamcasino.net

[Fan Team Casino on Facebook!](#)

www.teamcasino.net | AIM:TeamCasinoTravis
www.twitter.com/Team_Casino | <http://www.linkedin.com/in/travisfryback>

Proud Member: National Association of Casino Party Operators, ISES, MPI

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NOV 10 2009

OFM DIRECTOR'S OFFICE

Dear Sirs:

Primarily, gov't needs to get smaller.
 mix & match your departments as you wish but
 at the end of it all we, the tax payor, must have
 a lighter tax & license burden.

There is no excuse for my Liquor lic to be
 \$2500⁰⁰ or my grobly lic to be \$4000⁰⁰ Locally
 (I know this is not your issue - however) I pay approx
 \$9000⁰⁰/yr. Guess who is making the money here.
 Well - I get to do the work: oh happy day!

John C. Krak
 owner
 Special K Bar-Gr. '11
 Spokane



MR. JOHN KROKER
 3817 N. Market St.
 Spokane, WA 99207

SPOKANE WA 99207

APPENDIX C: Stakeholder Input

06 NOV 2009 PM 3 T



INCOMING 11/09/2009 12:06 AM

Comby, Horse, Liquor Lottery

Dir. office

Fin. mgmt.

Box 43113

Olympia, WA. 98504-2113





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NOV 10 2009

OFM DIRECTOR'S OFFICE

November 4, 2009

Ryan Black
 Office of Financial Management
 Insurance Building
 P.O. Box 43113
 Olympia, WA 98504

Dear Ryan:

We are responding to your request for comments from stakeholders relating to the study that the Office of Financial Management currently has underway dealing with alternatives for consolidating or transferring activities and responsibility for the State Lottery Commission, State Horse Racing Commission, State Liquor Control Board, and State Gambling Commission to achieve cost savings and regulatory efficiencies.

Our interest in the matter applies only to the various facets of the gambling industries in the State of Washington.

Published data from the State revealed the following for the 2008 fiscal year.

Net Receipts

(Net – amount wagered minus amount paid out to prizes)

Bingo	11.7 MM	.56 %
PB/PT	90.9 MM	4.3 %
Card Rooms	277.8 MM	13.1 %
Raffles	4.4 MM	.2 %
Tribal Casinos	1,479.5 B	70.1 %
Lottery	206.2 M	9.78 %
Horse Racing	38.3 M	1.81 %

Thoroughbred horse racing has existed in the State of Washington since the opening of Longacres Race Track in 1933. In 1990 the Longacres's property was sold to the Boeing Company and Longacres held it's last live racing in 1992. My partners and I designed and constructed Emerald Downs as a replacement for Longacres spending 83 million dollars to save the industry and finding ourselves with only 1.81% of the total net dollars wagered in the State. Since our opening in 1996, we have held fourteen live racing seasons serving the horsemen and women of the State. A large portion of the revenue generated for the operation of the Washington State Racing Commission comes from a fixed percent of the wagering dollars bet on Emerald's live races, simulcast races from tracks around the country and advanced deposit wagering.

Since Emerald opened in 1996, this percent of wagered dollars has provided \$29,149,597.00 in revenue to the Racing Commission to fund their operations. The balance of the revenue to fund the budget of the Racing Commission comes from licensing fees charged to the horsemen and women that participate in the industry. The Racing Commission derives its total revenue to operate from the thoroughbred horse racing industry. They receive no funding from the State's General Fund.

We are the only agricultural based industry within the entire gambling community. This is an extremely important point! The last economic survey of the thoroughbred horse racing and breeding industry in the State of Washington determined that the industry provides a 351 million dollar impact to the States economy. Due to the very specialized nature of our industry, it is imperative that the industry remains autonomous and not be burdened by being part of a consolidation of agencies.

Our industry and sport is highly regulated in order to provide the necessary integrity and safety to our participants and the wagering public. The Washington State Racing Commission provides the needed regulation with the revenue generated by our industry. It is a very complex undertaking to provide the proper regulation for horse racing and it is done with a number of very experienced personnel employed by the Commission.

Included are:

- 1) Stewards on premises during race days to provide regulation and oversight of the industry.
- 2) State Investigators to assist in the regulatory process.
- 3) State Veterinarians to provide for the post race drug testing, soundness exams and the safety of the horses.
- 4) Official clocker to record morning horse workouts that are required for the horses eligibility and for publication of the workouts in various publications.

- 5) Photo Finish and timing system personnel- Record photos of the finish of the race for the stewards and time the running of the races.
- 6) Oversee that the financial obligations of the horsemen and women are met to the providers and suppliers of their services.
- 7) Accounting verification of wagered dollars.
- 8) Payment of Owners and Breeders Bonus's
- 9) Keeping abreast of industry rules and regulations across all state lines and making rule changes in our jurisdiction.
- 10) Providing regulatory functions for the states eastern Washington racing Fairs.
- 11) Initiate Legislative Bills in order to protect and grow the industry.
- 12) Conduct hearings and hear appeals of the rules where appropriate.

The items listed above are just a few of the duties and functions of the Washington State Horse Racing Commission and just imagine how an industry that represents 1.81% of the total net dollars wagered in the State could be merged with the 'Giants' of the gaming industry and be looked after properly to receive the regulatory oversight that we must have. The integrity that the Racing Commission provides is imperative. No other State agency has the expertise to accomplish this satisfactorily.

We will do what we can to keep this industry alive and not create additional unemployment however; we need a dedicated Washington State Horse Racing Commission to carry this out.

Very truly yours,


 Ron Crockett
 President


 Jack Hodge
 Vice President



ASSOCIATION

800.225.7166
 360.357.9232 fax
 510 Plum Street S.E., Suite 200
 Olympia, WA 98501-1587
 www.WRAhome.com

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NOV 10 2009

OFM DIRECTOR'S OFFICE

Gambling, Horse, Liquor, Lottery Review
 C/O Director's Office
 Office of Financial Management
 P.O Box 43113
 Olympia, WA 98504-3113

RE: Washington Restaurant Association Comments on Alternatives for Consolidating or Transferring Activities of the State Lottery Commission, State Horse Racing Commission, State Liquor Control Board, and State Gambling Commission

The Washington Restaurant Association (WRA) represents the interest of restaurants, hotels and other hospitality based businesses in Washington State. The hospitality industry is the largest private sector employer in Washington employing more than 198,000 people, generating more than \$11.6 billion dollars in economic output with more than \$2.9 billion in payroll.

The WRA works closely with the Legislature and the Liquor Control Board on issues that impact the thousands of liquor licensee businesses in Washington State. Accordingly, our comments focus primarily on consolidating the Liquor Control Board with other Boards and Commissions.

Among its numerous functions, the Liquor Control Board essentially controls whether, or not, the thousands of liquor licensees in Washington State can operate their businesses. The LCB is the sole supplier of spirit products that our liquor licensees rely upon to keep their business open.

The WRA believes that the citizens of Washington State are best served by an independent Liquor Control Board and that any consolidation of functions among the above noted agencies must stay true to the following attributes:

- Has the authority to independently manage the supply and distribution of spirits in a non-partisan, non-political manner.
- Is empowered to focus on their statutory mission of delivering spirits and protecting public safety without consideration of political overtones. The LCB is accountable for managing the business of supplying and distributing thousands of products across the state to retail and licensee customers. Tens of thousands of jobs are dependent on the ability of the LCB to efficiently handle the warehouse and retail transactions, have product available, and operate their business in a cost effective manner.
- Strives for continuous improvement in every aspect of the operations they are running, including the efficient, effective, and consistent enforcement of liquor laws.
- Balances the needs of all stakeholders (e.g. - manufacturers, wineries, restaurants, consumers and prevention advocates) by insuring broad representation on the Liquor Control Board.

Although the WRA has not agreed with all of the decisions made by the LCB in recent years, we do believe that the current independent structure of the Board, coupled with the internal and external stakeholder processes employed by the Board, adhere to the attributes outlined above.

We understand that HB 1244 directed OFM to review alternatives for consolidating or transferring activities of a number of Boards and Commissions to achieve cost savings and regulatory efficiencies.

The WRA acknowledges that consolidation or a transfer of functions could lead to some benefits; however, from a long term perspective, we have the following concerns;

- The LCB must stay focused on its core mission. In the past 10 years the LCB has made enormous strides by focusing on three objectives: prevent/reduce minor consumption of alcohol; prevent / reduce the overconsumption of alcohol and ensure the efficient distribution of alcohol. Combining the LCB with other Boards and Commissions could inherently dilute this focus.
- A consolidation could lead to further erosion in customer confidence in the LCB's ability to reliably supply product to licensee businesses. Consolidating the Boards and Commissions implies that a new entity with a broader mission is capable of accommodating the needs of the various stakeholders and/or customers in the combined organization. We are very concerned that the opposite outcome would occur.
 - For instance, during 2009, the LCB had a number of problems meeting their licensee demand for products. Management and improvement of supply chains and distribution channels have needed, and continue to require focused attention to diagnose and remedy problems. WRA fears that combining the LCB with the other Boards and Commissions would simply dilute the attention and focus necessary to meet customer needs, particularly in complex supply chain management problems. We fear that consolidation of this important business function could exacerbate customer confidence in the LCB as a reliable supplier.
- Consolidation would limit the ability of stakeholders to interact with the LCB. One of the strengths of the current LCB structure is the ability of stakeholders to interact and engage in the decision making with the Board. This has clearly enabled the LCB to improve some performance metrics and meet many of their goals and objectives. Combining with other Boards and Commissions clearly runs the risk of diluting the ability of the stakeholder community to interact and engage with the LCB on policy and business issues.

For the reasons outlined above, the WRA has opposed changing the LCB to a strictly voluntary board.

The WRA recognizes that there may be options for restructuring the LCB that meet our fundamental concerns; hence we commit to working with OFM, the LCB and its staff, and other stakeholders to identify and evaluate options as this process continues.

Thank you for the opportunity to comment.


 Bruce Beckett
 Director of Government Affairs

A. J. SPEKERS GOVERNOR
 MOOSE LODGE 1543 FAUNTAUN, WA 98022
 253 508-9732

1. GAMBLING + HORSE RACING COULD BE COMBINED
2. LIQUOR CONTROL BOARD BE REWORKED. GET RID OF STATE LIQUOR STORES, CUT OVER HEAD COST ON LIASES, PEOPLE
3. SPIN LIC TO KROGER, SAME WAY WITH EVER LIC OVERHEAD MONEY UP FRONT
4. LIC TO WHOLE SALE LIQUOR WAREHOUSE AGAIN LIC CONTROL AND SALES CONTROL
5. I KNOW WASH. STATE DOES NOT WANT TO HEAR ABOUT CALIFORNIA BUT THEY HAVE A SYSTEM AND MOOSE, FEELS, FEELERS AND STORES IN GENERAL HAVE TO GO TO A WHOLE SALES IT'S CONTROL
6. I KNOW OLYMPIA HAS A TRUF TIME ON THEIR HANDS BUT COST SAVING, CONTROL AND MORE MONEY IS THE NAME OF THE GAME

A. J. Speker
 GOVERNOR LODGE 1543

LOYAL ORDER OF MOOSE



ENUMCLAW LODGE NO. 1543
BOX 589
ENUMCLAW, WA 98022

05 NOV 2009 PM 9 L



INCOMING 11/06/2009 03:48 AM

GAMBLING, HOLES, & LIQUOR
LOTTERY REVIEW
CO DIR PROBATE OFFICE
OFFICE OF FIN MAN
P.O. BOX 43113
LYMPIA, WA 98504-3113

9850433113



From: W Ron. Allen [rallen@jamestowntribe.org]
Sent: Tuesday, November 10, 2009 4:59 AM
To: GamblingHorseLiquorLotteryReview
Cc: Seffernick, Aubrey; Jerry Allen; Masse, Christine
Subject: OFM Study re: Consolidation of Commissions



Dear Director Moore:

I am writing on behalf of the Jamestown S'Klallam Tribe in Blyn, WA in response to your letter dated October 26, 2009, soliciting feedback on alternatives for consolidating or transferring activities and responsibilities of the State Lottery Commission, State Horse Racing Commission, State Liquor Control Board, and State Gambling Commission to achieve cost savings and regulatory efficiencies. This letter has been the first communication with tribes on this issue and we have not been involved in the interagency discussions about potential consolidation alternatives. While we appreciate that the Office of Financial Management ("OFM") is now reaching out to stakeholders on possible efficiencies that may be gained from consolidating some functions of these state regulatory agencies, the lack of any proposal or involvement with interagency discussions on this issue makes it difficult to offer any concrete recommendations at this time.

Our Tribe does believe that there are opportunities for the state to achieve cost savings and regulatory efficiencies through consolidation of some activities such as licensing, enforcement, and administrative procedures. I encourage OFM and the agency directors to engage all of the stakeholders (including the Tribes) in this discussion on a more meaningful level and to continue to examine efficiencies that may be gained through consolidation.

Thanks for your consideration of these initial comments and we look forward to any further discussion on this topic. Please feel free to contact me on this topic anytime.

Sincerely,

**W. Ron Allen, Tribal Chairman/CEO
Jamestown S'Klallam Tribe
(360) 681-4621**

From: Dolores Chiechi [dolores@rga-wa.org]
Sent: Monday, November 09, 2009 4:48 PM
To: GamblingHorseLiquorLotteryReview
Subject: OFM Consolidation Ltrhd

Please accept this as RGA's formal response. Thank you.



Post Office Box 1787 ♦ Olympia, WA 98507-1787 ♦ 360-352-0514 ♦ FAX 360-352-4579

November 9, 2009

Gambling, Horse, Liquor, Lottery Review
C/O Director's Office
Office of Financial Management
Post Office Box 43113
Olympia, WA 98504-3113

To Whom It May Concern:

On behalf of our members, we thank you for the opportunity to submit comments on this important discussion.

The Recreational Gaming Association (RGA) represents its member licensees who operate non-tribal card rooms across Washington. The RGA is organized to encourage, strengthen and protect the responsible operation of commercial gaming as a form of entertainment in Washington State.

The RGA itself works most closely with the Washington State Gambling Commission and the Legislature on issues that impact our members and non-members alike. However, our members' interest in the consolidation or transfer of duties of the various agencies and commissions is unique in that most card room licensees have dealings with at least two of the entities or agencies and in some cases, three or all four.

One obvious duplicative function of each agency is licensing. It is understood that some of the aforementioned entities are currently researching use of the Master Business Licensing Program. This would assist our members by streamlining the licensing process through one clearinghouse of data collection resulting in saving expenses and the time it takes to submit and process applications to, in some cases, four different entities.

Another consideration may be a separation of powers. As an example, an agency may act as rule-maker, regulator, enforcer and adjudicator – judge, jury and executioner if you will. Perhaps the creation of separate entities for each of these functions may warrant consideration.

In reviewing the mission of each agency, Commission or Board it is apparent they are vastly different.

Washington State Gambling Commission - Protect the public by ensuring that gambling is legal and honest.

Liquor Control Board - To contribute to the safety and financial stability of our communities by ensuring the responsible sale, and preventing the misuse of, alcohol and tobacco. **Washington's Lottery** - Product Mission: To offer imaginative games that bring fun and dreams into people's lives.

Page Two

November 9, 2009

Economic Mission: To responsibly maximize our revenue to the State of Washington. **Social Mission:** To enhance the quality of life for the people of Washington by financially contributing to education and other community endeavors. **Horse Racing Commission:** To regulate pari-mutuel horse racing and support development of the equine industry.

While it is impossible for any entity to remain completely apolitical the legislature intended that these agencies act independently - free from the political influences of elected office. We believe this foundation is necessary to retain the objective review of rules and regulations impacting their respective licensees. The rules-making process requires balancing the needs of all stakeholders by obtaining input and participation from the public and licensees, with careful consideration by those Board members, Commissioners or Director appointed by the Governor, to a reasonable outcome. With each mission so vastly different it would make this process schizophrenic, at best. As well, the legislature's distinctive statutory authority and directives for each entity would make coalescing their missions a unique challenge.

We acknowledge that some consolidation or transfer of functions could lead to some benefits. However, we believe this issue requires more extensive study and careful consideration. Without more time to thoroughly research the implications of such a drastic change and obtain input from each of our members, we submit the brief comments above for your consideration.

Thank you again for the opportunity to provide input.

Sincerely,

Dolores A. Chiechi
Executive Director

From: duffysab@comcast.net
Sent: Monday, November 09, 2009 12:42 PM
To: GamblingHorseLiquorLotteryReview
Subject: Liquor Stores

Dear Sirs:

In response: The best thing the State of Washington could do is to get out of the liquor business.

The liquor stores privately operated offer congenial, efficient service to their customers.

The state operated stores have rude, hard-to-deal with people running them.

Sincerely,
Ralph Larson
Duffy's Restaurant
phone: 360-533-3842
fax: 360-532-0516

From: Contract Liquor Store 530 [CLS530@LCB.CLS]
Sent: Monday, November 09, 2009 10:25 AM
To: GamblingHorseLiquorLotteryReview
Cc: Contract Liquor Store 611
Subject: [SPAM - header checking] - - Domain does not exist

To whom it may concern:

In lieu of writing this, first of all let me express my consent that i agree with you wholeheartedly on this matter. Keeping the liquor control board separate from the gambling commissions seems like the right thing to do.

Currently at my store, we do not even sell lotto--although we may like to carry it in the future--but it seems like it may create a bureaucratic difference between liquor and gambling.

I feel as though the liquor control board right now does a great job by themselves. Combining gambling and the liquor board does not make any sense at this time (at least to me). However making the horse racing, lotto and gambling commission a whole entity would make complete sense as they are all related to the same subject matter (gambling). This alone could achieve the money savings goal that the state needs. thanks for listening and giving us the opportunity to speak.

Sincerely,

Stephen shows
manager 611
Skykomish

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From: Susan Danby [susandanby@hotmail.com]
Sent: Monday, November 09, 2009 8:59 AM
To: GamblingHorseLiquorLotteryReview

Office of Financial Management,

In my opinion, I think that the LCB and the Gambling Commission should remain separate. Their mission is too critical to allow a large bureaucratic entity to manage it. Combining the Lottery and Horse Racing Commissions makes more sense.

Thank you,

Susan Danby
CMAC Liaison
CLS 530

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From: Contract Liquor Store 585 [CLS585@LCB.CLS]
Sent: Sunday, November 08, 2009 9:45 PM
To: GamblingHorseLiquorLotteryReview
Cc: Contract Liquor Store 585
Subject: [SPAM - header checking] - Joining of entities - Domain does not exist

To whom it may concern,

As a Contract Store manager for the Liquor Control Board of the State of Washington, I would like to express my opinion that the Gambling, Horses, Liquor and Lottery should not be joined. The liquor entity is very complex to run and is still dealing with freight issues. Any changes to the system at this time would not be of benefit to anyone.

Thank You,

Regina W Janosky
CLS585- Connell
509-234-2081

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From: Kenneth B. Donahoo [kbdonahoo@msn.com]
Sent: Sunday, November 08, 2009 6:14 PM
To: GamblingHorseLiquorLotteryReview
Subject: house bill 1244

I recommend the Governor combine all agencies into one commission with the primary focus being education allowing the local policing agencies (that receive funds from gambling activities) the primary role of enforcement. I would set up several regional offices around the state for your officers to work from giving them ample time to interface with local law enforcement and their licensees. I would like to see the state lottery commission move immediately on an Oregon like model for electronic pull tab machines (slot machines). The revenue the state is losing to destination style gaming locations (in state tribal and out of state casinos) is astronomical. I would put a limit of ten machines per location and a limit of five licenses controlled by any one entity thus eliminating the fear of nefarious out of state money getting involved in Washington State gaming. I think these types of limits would eliminate any fear tribal casinos might have as they would still control all destination style gaming in the state.

I apologize as I know you've ask that we restrict our comments to these issues but I can't help but comment on paragraph four as I have long held opinions on the state being in the retail or wholesale business. The state should sell all existing liquor stores at a fair market price and turn the wholesaling of alcohol over to currently licensed beer & wine wholesalers. The revenue generated on taxes and licensing along with the sales of all liquor stores would surely be greater than that collected now especially when you factor in the losses suffered by the current retail stores.

I have been in this business since the late 1970's and have watched the steady decline in the number of licensees statewide, we provide good jobs to thousands of state residents, pay enormous tax & license fees, support many athletic organizations as well as many many charities, this industry can't survive many more negative hits thru taxation or regulatuon, these ideas would help those of us left to survive and continue providing the funds to the state and local governments as well as the community at large.

Thank you for the opportunity to express my opinions on these important issues.

From: Contract Liquor Store 604 [CLS604@LCB.CLS]
Sent: Sunday, November 08, 2009 1:33 PM
To: GamblingHorseLiquorLotteryReview
Subject: [SPAM - header checking] - - Domain does not exist

Combining gambling and liquor becomes too large of an entity and very unmanageable. We believe you would still have just as many tiers and departments with the possibility of adding more to accomplish this merger. They have two separate sets of policies and two separate sets of enforcement of these policies. Therefore we believe the system needs to be left alone.

Ron Knaack
CLS604

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From: t ruzick [dasdfm@hotmail.com]
Sent: Saturday, November 07, 2009 2:51 PM
To: GamblingHorseLiquorLotteryReview
Subject: substitute house bill 1244

consolidate financial history and criminal background checks into one office.

one example is when a bar or restaurant changes hands the new owner must have liquor AND gambling do BOTH checks. This is complete duplication of efforts. Granted, the agencies will say that they must do their own checks because they are looking for different things. The checks could easily be to mollify both agencies.

also, in this scenario, many of the NUMEROUS forms the new business has to fill out are virtually identical for both agencies.

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From: samdthompson@comcast.net
Sent: Friday, November 06, 2009 4:43 PM
To: GamblingHorseLiquorLotteryReview
Subject: Re: Stakeholder Response

----- Original Message -----

From: samdthompson@comcast.net
To: GamblingHorseLiquorLotteryReview@ofm.wa.gov
Sent: Saturday, October 31, 2009 5:41:33 PM GMT -08:00 US/Canada Pacific
Subject: Stakeholder Response

This past year our new business applied for a Liquor License and a Gambling License. We found the process to be duplicative in that both Commissions asked for the same information. The forms were the same, the questions, and information was the same for both applications. At a minimum, it would be more efficient to combine their application process.

Thank you.

From: Diane Janas [d.janas@yahoo.com]
Sent: Friday, November 06, 2009 1:53 PM
To: GamblingHorseLiquorLotteryReview
Subject: Efforts to reform input from your users

- 1) All licensing should be consolidated. Each one of your agencies ask the same information but have different areas to make payments and different forms. The license has to be paid for, then you has someone print out a separate license. You are paying for postage, paper, ink, and man hours for this process. All of these licenses should be consolidated through the dept of licensing, and when the payment is processed on line, we should be able to download the license, print it ourselves, and post it. You do have inspectors that can verify the license is complete and accurate, when they are posted. If the license is expensive the payment can be payed in three installments. The license printed is at our expense anyway. If we needed to make a change in our license structure it would not be as expensive to have changed.
- 2) Your lottery does not pay enough to justify having it in our establishment. If we try to sell extra mega millions, (which we can by the way) the only one that makes out is the state. We are in business to make money the same as you. Sorry people, there is not enough in it for us. We had ours removed on Friday, Nov. 6th.
- 3) The current pull tab/punch board process is too labor intensive and easy for errors. I tried to get pull tab machines but no one makes a machine that distributes the smaller tabs. Those pull tabs are easier to sell and a lot cheaper to purchase. You need to get out of the stone ages.
- 4) Smoking laws....I understand them, the problem is...When we saw customers going out side a lot before the smoking ban, we started checking why they were out in the parking lot. Usually this means someone is doing illegal activities, we could then kick them out, call the police, or take other actions to keep the area clean. Now everyone is running outside all the time, who knows why, and the activity is almost too much to monitor. Most of us want to do the right thing, but sometimes our hands are tied.
- 5) You make no sense not allowing us to have black jack tournaments. They are set up so that everyone puts in an entrance fee. The most anyone can win is the total entrance fee. When each player looses, the money is paid out to the players that win, that is the beauty of chips. At the end of the night the top three players split the entrance fee according to the agreed % that was established before the game started. The house does not get involved.

We feel this is a joint effort, and because it is, we should both be making money. You would get a lot more effort selling items if it was. If a business fails because you are to structured, not pro-rating etc, your revenue drops too. We are getting taxed to heavy. The citys need to be reinen in also.

From: VanLeuven, Rick [RVanleuven@spokanesherriff.org]
Sent: Friday, November 06, 2009 8:55 AM
To: GamblingHorseLiquorLotteryReview
Subject: Consolidation Study Stakeholder Letter

It is my opinion that in working with these agencies, based on our good working relationship, it would be best for each jurisdiction to maintain their own separate authority and responsibility with respect to consolidating their services.

From the law enforcement perspective, I appreciate the expertise that each agency possesses in order to support us. I also believe they are functioning at an optimal level and that consolidating these services could diminish the service currently received by law enforcement.

As an aside, Gambling Commission officers attend the certified police academy, while other agencies do not. Therefore, you have an obvious disparity in the levels of training that could result in higher costs if that same training were implemented to all affected agencies.

The levels of service from the Gambling Commission touches on a much broader law enforcement support, which would require a vast amount of internal training to maintain this level of efficiency as well as the minimum standards that would be affected in the hiring and selection process.

Finally, if a merge of these commissions/boards/agencies is imperative due to budget cuts, it would be my opinion, that it may be applicable to merge some agency services; however, I would not suggest that the Gambling Commission be part of that merge.

*Chief Rick VanLeuven
Spokane Valley Police Chief
(509) 477-3310*

COULTERS ECONOTAX
10 NE Silver Pine Dr. Suite 108
Bremerton, WA 98311
360/692-7171

November 5, 2009

Gambling, Horse, Liquor, Lottery Review
c/o Director's Office
Office of Financial Management
P O Box 43113
Olympia, WA 98504-3113

Re: Consolidating Services

Dear Sirs:

We assist several clients in completing their paperwork for gambling and liquor reports/licensing. We would like to see the agencies set up for filing the reports and paying on line. The majority of other government agencies allow us to e-file and schedule clients payments (auto eft). This is a more efficient and cost effective way to file.

We hope you will consider e-filing directly to one source or the agencies. If you would like additional information, feel free to contact me directly.
Thank you.

Sincerely,

Jackie S. Coulter, EA
econotx@comcast.net

.jc

From: ceo@galaxygaming.com
Sent: Thursday, November 05, 2009 6:28 AM
To: GamblingHorseLiquorLotteryReview
Subject: Stakeholder Feedback

To Whom It May Concern:

As a licensee for nearly 15 years, I have had extensive direct personal experience with the Washington State Gambling Commission ("WSGC"). From my perspective, this agency needs to remain intact, as is. Here are a few points to consider:

- (1) The WSGC is specifically a law enforcement agency, whereas the Lottery Commission and Horse Racing Commission are designed to serve different purposes.
- (2) The WSGC is self-funding, meaning that it is funded not from the State's general fund, but by its licensee's.
- (3) Gaming must be free of all political influences. The State's previous history with gaming in the early 70's is what caused the Legislature to create the WSGC as an independent body. Its present structure is in place for good reason and should not be comingled with agencies that do not share the same agenda.
- (4) The WSGC is a very functional, efficient agency. As a businessman and a taxpayer, I abhor governmental waste. I point to the example of the WSGC as a model of governmental frugality.
- (5) If it ain't broke don't fix it. The WSGC is the second oldest gaming agency in the U.S. and has an exemplary track record of keeping gaming as a respectable recreational pastime for Washington's citizens and visitors.

On a separate note, I do believe it is time for the State to spin off its state liquor stores and regulate liquor sales rather than compete with the private retail industry. In addition, I would like you to consider and address in your report the periodic removal of funds from the WSGC to the State's general fund by the Legislature. If the State needs more money, it should not grab it from a self-funded agency. This equates to a hidden tax on the licensees whose scheduled fees are design to fund the WSGC, not the State's other interests.

Thank you for reviewing my comments. I am available if you have any questions.

Warmest regards,

Robert B. Saucier



GALAXY GAMING

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 Chief Executive Officer
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www.galaxygaming.com

November 9, 2009
Via Email Only



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ASSOCIATION

"Horsemen Helping Horsemen"

Gambling, Horse, Liquor, Lottery Review
c/o Director's Office
Office of Financial Management
P.O. Box 43113
Olympia, WA 98504-3113

To Members of the Gambling, Horse, Liquor, and Lottery Review Panel:

I am the President of the Washington Horsemen's Benevolent and Protective Association ("WHBPA"), and on behalf of our board and membership, I am taking the time to write to you to respond to the inquiry with respect to the functions and responsibilities with respect to the possible consolidation of the respective commissions and boards under review.

I am responding to your inquiry in a candid fashion. In order to do so, I must confess to you that while I have been a citizen of the great State of Washington for more than 50 years of my life, and I am aware in general terms of the operations under the supervision of the commissions and boards over the Gambling, Liquor, and Lottery affairs, my most direct knowledge is particular to the important and unique niche of Horse Racing in this state. Accordingly, the comments that I include herein relate to the knowledge that I possess with respect to this industry, and the importance that the Horsemen and Horsewomen of the State of Washington place on having a functioning Washington Horse Racing Commission that consists of persons who share a common understanding of the issues that exist and persist in Horse Racing that cannot, in our opinion, be appropriately or adequately addressed without a knowledgeable Commission and staff.

You ask several questions which we cannot adequately address and elect to not unnecessarily fill pages. But the one question asked, with respect to the potential for variance from the status quo is, 'do we believe that changes would be detrimental?' To that question, we would state that yes; for the many reasons set forth below, we believe that significant changes to the Washington Horse Racing Commission and its staff structure would be detrimental to the interests of a significant industry within the State of Washington.

Who We Are

Nationally, the Horsemen's Benevolent and Protective Association, is a nonprofit organization that represents over 40,000 racehorse owners, trainers and their employees across America. Until the HBPA was formed in

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Fax 253.804.6899

Gambling, Horse, Liquor, Lottery Review
c/o Director's Office
November 9, 2009
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1940, horsemen had no representation in regards to purse schedules, safety issues, working conditions and their general well-being on the backside of racetracks. Today money generated from racing handle in this State or related to racing in Washington allows the WHBPA to provide dental care, daycare assistance, supplemental eye care, medical and burial and financial assistance to the employees of our 1,700 members who work in the stable area or farms.

The WHBPA provides a forum, voice, and many valuable programs and benefits for persons working in Washington's thoroughbred racing industry. Based upon studies performed by Emerald Downs, we understand the industry has an annual economic impact to the State of Washington of over three hundred and fifty million dollars and employs thousands of Washington citizens at farms and racetracks throughout the state.

The Washington Horsemen's Benevolent & Protective Association is a non-profit organization representing well over 3,000 persons (our 1,700 members and their employees who are involved in thoroughbred horseracing). Our mission is to:

1. Protect the interests of our members, their employees and their horses
2. To improve the quality of life in the stable area at race tracks
3. To support, promote, and protect LIVE RACING in the State of Washington.

The Washington Horse Racing Commission understands our industry, which is unique and distinct from the other types of "vice" industries being looked at in your review. As is further explained below, we believe that the Washington Horse Racing Commission fully appreciates the many critical nuances of our industry, and we steadfastly support its retention in its current form.

Critical Concerns

We believe that the Washington Horse Racing Commission operates at an optimal level. We believe that it has expanded its contribution to the racing industry over the last several years, while at the same time protecting the interests of the public and the State. It is important to note that with the explosion of other forms of gambling, Horse Racing wagers account for less than 2% of the wagering dollar expended within the State, yet we also believe that the regulatory duties are far more varied and specialized than the responsibilities of the lottery or gambling commissions, or that of the Liquor Control Board. It is vital that members of the Washington Horse Racing Commission and its staff fully understand the Horse Racing industry and all the varied components of regulation which go far beyond the integrity over the gambling dollar and type of wagers being placed.

The Washington Horse Racing Commission is a unique agency with very unique challenges made to it. Unlike the other listed agencies there is an on-site presence of agency staff on an ongoing basis at Emerald Downs and the Class C race tracks when they are operating. Regulation is very specific, and very unique, and staff uses its unique knowledge

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base that covers a wide array of topics, assessing and regulating everything from the jockey's riding crop to tolerable levels of environmental contaminants in horse urine tested for medication violations.

Medication rules for the equine athlete, which are appropriately more stringent than for the Olympic athlete, require that Washington Horse Racing Commission staff remain updated on ever-changing technology and medication issues. The science on medication is ever-evolving and intended to assure the public that the playing field upon which they wager is fair, and that the equine athletes are not subjected to detrimental medications to enhance performance, mask pain, or unnaturally create muscle mass. The Washington Horse Racing Commission works closely with national Racing Commissioners International, Racing Medication and Testing Consortium and other State Racing commissions to develop and adopt uniform model rules and regulations. These rules are specialized, and making changes to them requires thoughtful understanding of the implications of all such changes being made, as well as taking in and considering the input from stakeholders and industry experts.

It is important for the ongoing and future success of racing in this State that the Commission works jointly with the National Thoroughbred Racing Association for compliance with the National Safety and Integrity Alliance so that racetracks in the State of Washington are accredited by the Alliance. This is important to allow for interstate wagering on the product of the State of Washington, which returns purse contributions and funding for the Commission's affairs.

Licensing in the Horse Racing industry is not just the matter of issuing documents. Due to the necessary safety issues relating to human (exercise riders and jockeys) and equine athletes and persons in contact with the horses (grooms, trainers, owners, veterinarians, farriers, etc.) in our industry, many of the licensing decisions require observation and evaluation of skills of prospective licensees before licenses are issued. We believe that any waiver from this requirement would be a detriment to the safety of racing stakeholders and horses.

Our WHBPA staff has almost daily communication with the Washington Horse Racing Commission and its staff working together to maintain the integrity of the sport and to maximize the safety of both human and equine participants. Our WHBPA staff relies upon and value the knowledge and understanding of the Commission staff of issues that have been sorted out over time, and understood, with institutional knowledge of the "whys" involved in the sport.

The Washington Horse Racing Commission is an integral part of the industry's unique workman's compensation program. Although it is a time-consuming task for the agency, its involvement has yielded near 100% compliance by employers at the racetrack. While we expect changes to be made in coming years to the manner in which Labor & Industries, the industry, and the WHRC administer the program, we would expect that the

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WHRC will continue to have a voice in how the program works, and ensuring compliance on the part of its licensees with the requirements of Labor & Industries.

Horse Racing in the State of Washington

While the explosion in available forms and fora for gambling in the State of Washington have eroded Horse Racing's position within the gaming dollars expended within the State (and Horse Racing has detrimentally suffered significantly from the increased competition to its attraction of the wagered dollar), we still make a sizeable financial contribution to the state – recent estimates of annual economic activity in excess of \$350 million annual contribution to the State appear consistent and reliable. We believe our industry, while challenged by competition, economic factors, and national issues, still has significant and positive impact on our State.

We have a significant impact on Agricultural and Forest Products industries within the states. Our industry creates jobs and economic activity through the breeding, keeping, and development of horses, the most beautiful of domestic animals, and creates further, and significant additional jobs in sub-specialties, particularly in eastern Washington for the growth, harvest, processing, and delivery of significant quantities of grain-based Feed and Hay. The Forest Products industry is able to fashion and sell substantial amounts of wood-based bedding, primarily from by-products and other elements that might otherwise become waste.

Horse Racing is the only gambling entity in the State of Washington with a direct tie and influence on the economic viability of agriculture in the State.

Horse Racing makes a very unique contribution to the State Fairs; wagering dollars provide annual funding that is used in maintaining community and tradition across the State: \$147,000 was provided in 2008 alone.

Change Is Often Inevitable

While we do oppose any significant change to the current function and structure of the Washington Horse Racing Commission, we recognize that change does come with inevitability in all areas of industry and government. To the extent that our opposition to change is drowned out in light of other governmental and / or budgetary imperatives, either in the immediate timeframe or on some future horizon, we would ask that our industry, with its major represented stakeholders being the Northwest Racing Associates, the WHBPA, and the Washington Thoroughbred Breeders' Association, as well as motivated and interested individuals, be allowed to weigh-in on changes that do come along. There are several critical and unique issues which must be reasonably well understood by any legislative action to change the manner in which our industry is treated.

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The first of these is medication of the equine athlete. If there is consolidation, the unique fact of medication issues, which do not exist in relation to the Gambling, Liquor or Lottery areas, is paramount and must be properly and adequately accounted for and addressed in any new administrative formula.

A second issue relates to the manner in which the industry currently makes compliance with Labor & Industries premium payments tie to the licenses provided (and potentially suspended) by the Washington Horse Racing Commission. We believe that there must be a manner to ensure that those who fail to pay premiums do not expose the rest of the industry to their liabilities, and the current system seems to work very well in assuring that there are only de minimis delinquencies.

Third, issues relating to hearings and appeals will have to be addressed and carefully considered and thought out. The types of issues that are routinely addressed by the staff and Commission are obviously most frequently specific to this industry, and provision must be made to ensure that issues pertaining to potential violations leading to hearing (and potential appeal) are dealt with in a manner that is appropriate and through channels that are equitable and knowledgeable.

A fourth issue may relate to grand-fathering of licensees. As we are not familiar with the licensing structure that is applied in the other areas of commerce being studied at the present time in Gambling, Liquor, and the Lottery, there is concern that if a more stringent standard is applied, present licensees who have not created any additional infractions of behavior since a license was last granted might be at-risk for renewal. We would seek to ensure that current licensees in good standing as citizens be able to renew their licenses for their presently approved capacities.

Of course, there are other issues as well, but in the immediate sense, those strike us as being the most likely to be most divergent from issues that would likely arise should a consolidation be considered or become a required budgetary action item.

Concluding

We thank you for the opportunity to provide our input. We trust that it will be considered and given weight. We recognize that there are reasons for such an inquiry, but we truly hope that our input, with that of other stakeholders, will make clear that we consider our industry, and the role of the Washington Horse Racing Commission, to be quite unique from each of the other commissions and the board under review.

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Feel encouraged to contact me if you should require additional information or input.

Very truly yours,



Ronald A. Maus
President

Washington Horsemen's Benevolent and Protective Association

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