

FACT SHEET

APPENDIX X2

WASHINGTON TRIBAL-STATE GAMING COMPACTS

What is it?

In March 2007, Washington State and 27 Washington State Tribes reached an agreement to amend their Tribal-State Gaming Compacts. The Amendment is called "Appendix X2" and is often referred to as "X2".

X2 builds on the Tribes' commitment to invest in the health and welfare of the community by obligating the Tribes to provide ongoing funding to support smoking cessation and prevention.

According to X2, thirteen one-hundredths of one percent (0.13%) of the net win derived from Tribal Lottery System activities will be dedicated to smoking cessation, prevention, education, awareness, and treatment in the State of Washington.

"Net win" is the difference between the amount wagered or played and the amounts paid to winners less any cost of developing, licensing, or otherwise obtaining the use of the Tribal Lottery System.

Who gets paid?

X2 payments (or "contributions") will be made annually to governmental, charitable and/or nonprofit organizations that have as a purpose the discouragement of the use of tobacco.

Tribal Tobacco Programs are eligible recipients of X2 payments. Your Tribe can dedicate this money to help support and expand its tobacco prevention program.

When will my Tribe make payments?

Payments are to be made after the conclusion of the Tribe's first full fiscal year after Appendix x2 became effective, by the 15th day of the month following the end of the first fiscal year after March 2007. So, if your casino's year-end date is September 30th, funds would begin accruing October 1, 2007 and the first payment would be required on October 15, 2008. If your casino's year-end date is December 31st, funds would begin accruing January 1, 2008 and the first payment would be required on January 15, 2009.

Exclusions:

If the Tribe operates any of its Class III gaming facilities as entirely smoke-free, the Tribe's smoking cessation contribution shall be reduced proportionally based upon the pro rata number of Tribal Lottery System machines in that non-smoking facility compared to the total number of Tribal Lottery System machines operated by the Tribe. Additionally, if the Tribe completely prohibits the sale and use of alcohol in all of its Class III gaming facilities, the Tribe shall be entirely excused from making the smoking cessation contribution required for as long as the prohibition on the sale and use of alcohol remains in effect.

