

## **Staff Proposed Rule Change**

- **Establish and outline the process when staff withdraws approval of gambling equipment.**

**July 2013 – Final Action**

**June 2013 – No Meeting**

**May 2013 – Study Session**

**April 2013 – Up for Discussion and Possible Filing**

**March 2013 – Study Session**

### **ITEM: 8**

- a) **New Section: WAC 230-06-052**  
Withdrawing gambling equipment authorization.



Proposed New Rule  
WAC 230-06-052  
Withdrawing gambling equipment authorization.

**July 2013 – Final Action**  
June 2013 – No Meeting  
May 2013 – Study Session  
April 2013 – Up for Discussion and Possible Filing  
March 2013 – Study Session

ITEM 8 on the July 2013 Commission Meeting Agenda.	Statutory Authority 9.46.070
<b>Who proposed the rule change?</b>	
Staff	
<b>Proposed Change</b>	
<p>This new rule establishes and outlines the process when staff withdraws approval of gambling equipment. This proposed new rule is based on both WAC 230-15-045 (Withdrawing card game authorization) and WAC 230-06-050 (Review of electronic or mechanical gambling equipment), to allow a process for withdrawing authorization.</p> <p>Attachments: WAC 230-06-050 Review of electronic or mechanical gambling equipment. WAC 230-15-045 Withdrawing card game authorization.</p>	
<b>History of Rule</b>	
<p>We have rules that address the:</p> <ul style="list-style-type: none"> <li>• Process for withdrawing authorization for card games (WAC 230-14-045); and</li> <li>• Review and approval of gambling equipment (WAC 230-06-050).</li> </ul> <p>We do not have rules addressing the process for withdrawing authorization of gambling equipment.</p> <p>This new rule is similar to what occurs when gambling equipment submissions are denied. It establishes a rule which allows staff to withdraw authorization of gambling equipment.</p>	
<b>Impact of the Proposed Change</b>	
<p>This new rule will codify procedures for withdrawing authorization of gambling equipment. It also ensures that all approved gambling equipment complies with RCW, WAC, and Tribal-State Compact.</p> <p><b>A Small Business Economic Impact Statement</b> was not prepared because the rule change would not impose additional costs on any licensees.</p>	
<b>Regulatory Concerns</b>	
The process for withdrawing equipment approval is not clear in our rules. This rule change makes the process clear.	
<b>Resource Impacts</b>	
Minimal.	
<b>Policy Consideration</b>	
None.	
<b>Statements Supporting the Proposed Rule Change</b>	
None.	
<b>Statements Opposing the Proposed Rule Change</b>	
None.	

**Licensees Directly Impacted By the Change**

Applicants and licensees with approved gambling equipment.

**Staff Recommendation**

Final action.

**Proposed Effective Date for Rule Change**

Because this new rule will assist licensees by outlining a process, staff recommends an effective date of 31 days from filing, if the rule is adopted by the Commission.

**New Section:**

**WAC 230-06-052 Withdrawing gambling equipment authorization.**

If the director or the director's designee withdraws authorization of gambling equipment:

- 1) The director or the director's designee will give the applicant written notice and an opportunity to object to the decision. If the applicant does not agree with the decision, they may file a petition for declaratory order with the commission to be heard as a full review (*de novo*) by an administrative law judge, according to RCW 34.05.240 and chapter 230-17 WAC.
- 2) The director or the director's designee will provide written notice to other impacted licensees who have the gambling equipment after a final decision is made.

**WAC 230-06-050 Review of electronic or mechanical gambling equipment.**

(1) Persons who wish to submit gambling equipment, supplies, services, or games for our review to verify compliance with chapter 9.46 RCW and Title 230 WAC must pay the application deposit before we perform the review. They must also reimburse us for any additional costs of the review.

(2) We may require manufacturers to submit certain electronic or mechanical gambling equipment for review. The equipment must meet technical standards for compliance, accuracy, security, and integrity. To allow for continued testing and training, staff may keep any equipment submitted for review for as long as the equipment remains in play in Washington. The manufacturers must reimburse us for any costs of the review. The commissioners and commission staff are not liable for any damage to equipment while in our possession.

(3) Licensees must operate equipment identical to the version the director or director's designee approved.

(4) If persons submitting equipment do not agree with the director or director's designee's decision, they may file a petition for declaratory order with the commission to be heard as a full review (*de novo*) by an administrative law judge, according to RCW 34.05.240 and chapter 230-17 WAC.

**WAC 230-15-045 Withdrawing card game authorization.**

If the director or the director's designee withdraws authorization of a card game:

(1) The director or the director's designee will give licensees written notice and an opportunity to object to the decision. If a licensee files an objection in writing, an administrative law judge will review the decision.

(2) The director or the director's designee will provide written notice to impacted licensees after a final decision is made.

## **Staff Proposed Rule Change**

- **Two-part payment plan for licensing fees.**

**July 2013 – Up for Discussion and Possible Filing**

**June 2013 – No Meeting**

**May 2013 – Study Session**

### **ITEM: 9**

- a) **New Section: WAC 230-05-015**  
Two-part payment plan for license fees.



Proposed Amendment to  
WAC 230-05-015 Two-part payment plan for license fees.

**July 2013 – Up for Discussion and Possible Filing**  
June 2013 – No Commission Meeting  
May 2013 – Study Session

ITEM 9 on the July 2013 Commission Meeting Agenda.	Statutory Authority 9.46.070
Who proposed the rule change?	
Staff.	
Proposed Change	
<p>This proposed amendment adds language to clarify licensees that use the two-part payment plan must submit their second half payment, even if they stop operating. Staff is also proposing stronger language to ensure licensees know they are obligated to pay the license fee for the entire year, regardless if they go out of business halfway through the year, surrender their license, or have their license revoked during the license year. It also removes language that gross gambling receipts during the first half of the year cannot exceed fifty percent of the annual gross gambling receipts for licensees that use the two-part payment plan.</p> <p>Attachment: WAC 230-06-130 Exceeding license class.</p>	
History of Rule	
<p>This rule allows some organizations to use a two-part payment plan to pay their license fees. It also requires licensees in the plan to upgrade their license if their gross gambling receipts in the first six months of their license year exceed fifty percent of their authorized annual gross gambling receipts.</p> <p>The current subsection (3) conflicts with WAC 230-06-130 (attached) which requires licensees to monitor their gross receipts, apply a projection of year-to-date receipts to the remaining period of their license and upgrade their license before they exceed their license class. Most licensees know when they will be making more or less money throughout the year. If they have higher earnings during the first half of their license year, it may seem like they are going to go over their class limit. However, the licensee might know that business drops off during the second half of the year. The current rule does not allow a licensee to monitor their own earnings and requires them to upgrade before the license year is even half over. This can cause them to have to upgrade when at the end of the year, they may not exceed their license class. This causes unnecessary work for staff to process upgrades and refunds.</p> <p>The rule currently states that if you are renewing your license you may pay your license fee in two payments. Licensees can elect to pay their annual fee in two payments at renewal if their annual license fee is at least \$800 and they pay an administrative processing fee. We issue the participants of this plan a license for one year that shows the date of the second payment is due. If a participant does not pay their second-half payment on or before the due date, the license expires and the gambling activities must stop.</p> <p>In the past, licensees have misinterpreted this rule to allow them to go out of business and not pay the second half of their license fee.</p> <p>Over the last few years, the uncollectible license fees from individuals and organizations have increased as follows:</p>	

**Uncollected License Fees (second half payments and exceeding class fees):**

	Uncollected License Fees	Number of Licenses	Percent failure to pay the second half payment
2008	\$55,332.00	20	100%
2009	\$46,505.25	28	81%
2010	\$93,537.00	25	93%

The uncollected license fees are from licensees that fail to pay the second payment of their annual license fee or exceeding class fees. A majority of the licensees that fail to pay are licensees on the two-part payment plan who do not pay their second payment. When it comes time to pay the second payment, licensees who have chosen to cease their gambling activity may not pay the second payment. There is a misconception that the two-part payment plan is a "pay as you go" fee, and not an annual fee paid in two installments.

If the licensee fails to pay their second payment and has other gambling licenses, we notify them that we will take administrative action against their current licenses if they fail to pay their outstanding license fees. If the licensee does not have any other gambling licenses, we flag their file in our database to try to collect the outstanding license fees if they seek to obtain licensure in the future and send the debt to collections.

**Our authority to send licensees to collections are found in the following RCW's:**

**RCW 9.46.350** states, "At any time within five years after any amount of fees, interest, penalties, or tax which is imposed pursuant to this chapter, or rules adopted pursuant thereto, shall become due and payable, the attorney general, on behalf of the commission, may bring a civil action in the courts of this state, or any other state, or of the United States, to collect the amount delinquent, together with penalties and interest. .. "

**RCW 19.16.500** states, "Agencies may retain, by written contract, collection agencies licensed under this chapter for the purpose of collecting public debts owed by any person." The RCW goes on to state that any governmental entity using a collection agency may add a reasonable fee, payable by the debtor, to the outstanding debt for the collection agency fee incurred. The amount paid for collection services can include contingent fees up to 50% of the first \$100,000 of unpaid debt per account and up to 35% of the unpaid debt over \$100,000. A minimum fee of the full amount of debt up to \$100 per account is reasonable. The debt may not be assigned to a collection agency unless there has been an attempt to advise the debtor of the existence of the debt, the debt that may be assigned to a collection agency for collection if the debt is not paid and at least 30 days have elapsed from the time notice was attempted.

**RCW 43.17.240** allows interest at a rate of 1 % per month to accrue on debts owed to the state, starting on the date the debt becomes past due.

**Impact of the Proposed Change**

Licensees will know they must pay their full license fee, even if they go out of business. In practice, they are already required to pay the fee, so the impact will be minimal.

Licensees in the two part payment plan will have to upgrade their license if their gross gambling receipts in the first half of their license year exceed fifty percent of the annual authorized gross gambling receipts. This places an additional financial burden on licensees whose gambling activity tends to be higher the first half of the license year but low in the last half their license year. It also causes more work for staff to process the upgrade and then a refund at the end of the license year because the licensee operated at the lower class level.

Under WAC 230-06-130, licensees will still be required to upgrade their license before they exceed their license class limits during the year.

#### Regulatory Concerns

This change is to put into rule current practice of seeking payment from licensees in the plan who fail to make their second-half payment.

#### Resource Impacts

##### **Reduce staff time:**

- Following-up with licensees that don't pay the second part of their license fee;
- Assigning unpaid debt to collections;
- Processing upgrades;
- Processing refunds.

##### **Licensees:**

Save licensees time and money by not requiring them to upgrade their license if they do not anticipate their annual gross gambling receipts will exceed their license class.

#### Policy Consideration

This stronger language reinforces to our licensees their payment obligations and may decrease the number of licensees sent to collections.

#### Statements Supporting the Proposed Rule Change

None.

#### Statements Opposing the Proposed Rule Change

None.

#### Licensees Directly Impacted By the Change

Licensees that use the two-part payment plan to pay license fees.

#### Staff Recommendation

File for further discussion.

#### Proposed Effective Date for Rule Change

Because this proposed change brings our rules in line with current practice, staff recommends an effective date of 31 days from filing the adopted rule, which would be approximately October 14, 2013, if the rule is adopted at the September 2013 Commission meeting.

**Amended Section:**

**WAC 230-05-015 Two-part payment plan for license fees.**

(1) If you are renewing an annual license or applying for an additional license, you may pay the license fee in two payments if:

(a) You elect to participate; and

(b) The license fee is at least eight hundred dollars; and

(c) You pay an administrative processing fee as set out in WAC 230-05-020 or 230-05-030, plus one-half of the annual license fee at the time of application or renewal.

(2) We issue licenses under the two-part payment plan with an expiration date of not more than one year and a second-half payment due date.

(a) If we receive your second-half payment on or before the due date, the license will remain in effect until the expiration date.

(b) If you ~~((fail to))~~ do not submit the second-half payment on or before the due date, the license expires and gambling activities must stop. You must pay us the second-half payment regardless if you stop operating the gambling activity, close your business, surrender your license, or your license is revoked. If you do not pay the second-half payment, we may take action against other licenses you hold or refer the debt to collections, or both.

(3) ~~Your gross gambling receipts during the first half payment period must not exceed fifty percent of the authorized class limitation for annual gross gambling receipts. Licensees whose gross gambling receipts exceed fifty percent of the authorized level must apply for a license at the appropriate license class and pay the full upgrade fee, plus an administrative processing fee, as set out in WAC 230-05-020 and 230-05-030.~~

**WAC 230-06-130 Exceeding license class.**

- (1) Licensees must not exceed the gross gambling receipts limits for their license class during any annual license period.
- (2) Licensees must apply a projection of year-to-date receipts to the remaining period of their license and, if it indicates that it is reasonably likely that they may exceed their license, they must immediately:
  - (a) Apply for a license that authorizes the anticipated level of gross gambling receipts; and
  - (b) Submit the fee required for the new license, minus the amount originally submitted for the previous license, plus a change of classification fee.
- (3) If we issue a license upgrade, it is valid only for the remainder of the original term of the license.
- (4) Licensees may exceed license class limits once, by the amount shown in the fees table, without having to upgrade or pay the penalties as long as they upgrade to the higher license class the next time they renew their license.

## **Staff Proposed Rule Change**

- **Background checks on landlords of house-banked card rooms.**

**July 2013 – Up for Discussion and Possible Filing**

**June 2013 – No Meeting**

**May 2013 – Study Session**

### **ITEM: 10**

- a) **New Section: WAC 230-03-061**

Fingerprinting persons holding an interest in the building of a house-banked card room.



Proposed New Rule  
**WAC 230-03-061** Fingerprinting persons holding an interest in the  
 building of a house-banked card room.

**July 2013 – Up for Discussion and Possible Filing**

June 2013 – No Meeting

May 2013 – Study Session

ITEM 10 on the July 2013 Commission Meeting Agenda.	Statutory Authority 9.46.070
<b>Who proposed the rule change?</b>	
Staff.	
<b>Proposed Change</b>	
<p>This rule change brings the WAC into compliance with RCW 9.46.070(7) by requiring persons holding an interest in a building used for a gambling activity to undergo background checks. The rule describes “an interest” in a building used for a gambling activity as at least 51%, or less than 51% “interest in the building” and actual or potential influence or control of the operation of a house-banked card room.</p> <p>House-banked card rooms that currently hold a license would be excluded from this new requirement, unless there is a change in persons holding an interest in the building or the house-banked card room changes location.</p> <p>Attachments:</p> <ul style="list-style-type: none"> <li>• RCW 9.46.070 (7) Gambling commission - Powers and duties.</li> <li>• Stakeholder notification letter dated May 6, 2013, which was mailed and e-mail to house-banked card rooms.</li> </ul>	
<b>History of Rule</b>	
<p>RCW 9.46.070(7) states in pertinent part that “Provided further, That <i>the commission shall require fingerprinting and national criminal history background checks on any person seeking licenses, certifications, or permits under this chapter or of <b>any person holding an interest in any gambling activity, building (emphasis added), or equipment to be used therefore, or of any person participating as an employee in the operation of any gambling activity...</b>The commission must establish rules to delineate which persons named on the application are subject to national criminal history background checks. In identifying these persons, the commission <b>must (emphasis added)</b> take into consideration the nature, character, size, and scope of the gambling activities requested by the persons making such applications.”</i></p> <p>Nevada, Michigan, Louisiana, New Jersey, and California were called to examine how or if they regulate landlords. None responded in time frame needed to complete the summary. A review of their Laws and regulations did not indicate any requirements to fingerprint landlords.</p> <p>Staff recommends current house-banked licensees be excluded from background checks of current “persons holding an interest in a building used for a gambling activity” not be required, unless the persons of interest change. We will continue to require copies of leases that staff reviews for “substantial interest” as defined in WAC 230-03-045.</p>	
<b>Impact of the Proposed Change</b>	
<p>Applicants of house-banked card rooms, house-banked card rooms when there is a change in persons holding an interest in the building or a change in location of the house-banked card room will undergo a national criminal background investigation, which will include fingerprinting as required by RCW.</p>	

This change will not increase the application cost for applicants. The processing times of the applications will vary based on the responsiveness of the person holding an interest to submit the fingerprints.

**A Small Business Economic Impact Statement** will be prepared because the rule change may impose additional costs on licensees.

**Regulatory Concerns**

None.

**Resource Impacts**

Minimal.

For the past four years, we received 25 new house-banked card room applications per year. However, in the past two years we have received six new house-banked card room applications. Therefore, the resource impacts will be minimal for both staff time and agency expenses.

Currently, we are charged a fee of \$32.50 by the Washington State Patrol for running fingerprints. This fee is expected to increase to \$42.50 on July 1, 2013.

**Policy Consideration**

None.

**Statements Supporting the Proposed Rule Change**

None.

**Statements Opposing the Proposed Rule Change**

None.

**Licensees Directly Impacted By the Change**

Applicants for house-banked card rooms, house-banked card rooms when there is a change in persons holding an interest in the building or a change in location of the house-banked card room.

**Staff Recommendation**

File for further discussion.

**Proposed Effective Date for Rule Change**

January 1, 2014.

New Section

**WAC 230-03-061 Fingerprinting persons holding an interest in the building of a house-banked card room.**

- (1) Persons holding an “interest” in the building of a house-banked card room must undergo a national criminal history background check, including fingerprinting.
- (2) An “interest” means:
  - (a) Having fifty percent or more ownership in the building used for the house-banked card room; or
  - (b) Having less than fifty percent ownership in the building used for the house-banked card room and actual or potential influence over the gambling activity.
- (3) This requirement only applies to house-banked card rooms licensed after January 1, 2014.
- (4) For house-banked card rooms licensed before January 1, 2014, this requirement applies when there is a change in:
  - (a) Persons holding an interest in the building; or
  - (b) Location of the house-banked card room.

**RCW 9.46.070 (7) Gambling commission — Powers and duties**

(7) To require that applications for all licenses contain such information as may be required by the commission: PROVIDED, That all persons (a) having a managerial or ownership interest in any gambling activity, or the building in which any gambling activity occurs, or the equipment to be used for any gambling activity, or (b) participating as an employee in the operation of any gambling activity, shall be listed on the application for the license and the applicant shall certify on the application, under oath, that the persons named on the application are all of the persons known to have an interest in any gambling activity, building, or equipment by the person making such application: PROVIDED FURTHER, That the commission shall require fingerprinting and national criminal history background checks on any persons seeking licenses, certifications, or permits under this chapter or of any person holding an interest in any gambling activity, building, or equipment to be used therefor, or of any person participating as an employee in the operation of any gambling activity. All national criminal history background checks shall be conducted using fingerprints submitted to the United States department of justice-federal bureau of investigation. The commission must establish rules to delineate which persons named on the application are subject to national criminal history background checks. In identifying these persons, the commission must take into consideration the nature, character, size, and scope of the gambling activities requested by the persons making such applications;



STATE OF WASHINGTON  
GAMBLING COMMISSION

*"Protect the Public by Ensuring that Gambling is Legal and Honest"*

May 6, 2013

Dear House-Banked Cardroom Licensee:

**NOTICE OF RULE MAKING**

The Washington State Gambling Commission has entered into the initial stage of rule making to revise **WAC 230-03-061 Fingerprinting persons holding an interest in the building of a house-banked card room**. This change to WAC 230-03-061 will require the fingerprinting of some landlords of house-banked card rooms.

The rule currently has no provision for fingerprinting persons holding an interest in the building of a house-banked card room. The text of the rule is attached.

The Gambling Commission encourages you to give input. Do you support or oppose the proposed rule change?

**Public Comment**

Please forward your comments by **May 31, 2013**.

**By mail:**

Keith Schuster  
Gambling Commission  
P.O. Box 42400  
Olympia, WA 98504-2400

**By e-mail:**

keith.schuster@wsgc.wa.gov

**By fax:**

(360) 486-3632

The proposed rule change will be discussed at Study Session at the **May 9, 2013**, Commission meeting. The meeting will be held at the Heathman Lodge, 7801 NE Greenwood Dr, Vancouver, WA 98004. Commission meetings are open to the public and you are invited to attend. Please check our website ([www.wsgc.wa.gov](http://www.wsgc.wa.gov)) a week in advance to confirm.

The Commissioners look forward to your written comments and/or your testimony at the public meeting. Your input will help the Commission decide whether to file the proposed rule change for further discussion or not. If you have questions, please call Keith Schuster, Program Manager, at (360) 486-3559.



## Staff Proposed Rule Change

- **Implementing 2013 legislation authorizing enhanced raffles.**

July 2013 – Up for Discussion and Possible Filing

### ITEM: 11

#### Amendments are proposed to the following rules:

- (a) WAC 230-03-060 Fingerprinting of applicants.
- (b) WAC 230-03-320 Substantial interest holders not required to be licensed as representatives.
- (c) WAC 230-03-325 Office, clerical, or warehouse workers not required to be licensed as representatives.
- (d) WAC 230-03-335 Representatives must not work before receiving a license.
- (e) WAC 230-05-020 Charitable and non-profit organization fees.
- (f) WAC 230-05-030 Fees for other businesses.
- (g) WAC 230-05-035 Individuals license fees.
- (h) WAC 230-07-155 Reporting annual activity for raffles, enhanced raffles, amusement games, class A, B, or C bingo, or combination licenses.
- (i) WAC 230-11-012 Licensees may conduct a joint raffle.
- (j) WAC 230-11-014 Maximum raffle ticket price.
- (k) WAC 230-11-020 Record information on ticket stub.
- (l) WAC 230-11-030 Restrictions on ticket sales.
- (m) WAC 230-11-040 Place ticket stub in receptacle for drawing.
- (n) WAC 230-11-050 Using alternative drawing formats.
- (o) WAC 230-11-055 Authorized alternative drawing formats.
- (p) WAC 230-11-065 Raffle prizes.
- (q) WAC 230-11-070 Defining “members-only” raffles.

#### The following new rules are proposed:

- (a) WAC 230-03-152 Additional requirements for enhanced raffles.
- (b) WAC 230-03-232 Applying for a call center license.
- (c) WAC 230-03-317 Applying for a call center representative license.
- (d) WAC 230-11-002 The definition of raffle as used in this chapter.
- (e) WAC 230-11-102 Recordkeeping requirements for enhanced raffles.
- (f) WAC 230-11-103 Independent audit required for enhanced raffles.



**Amendatory Section**

**WAC 230-03-060 Fingerprinting of applicants.**

Applicants or persons holding a substantial interest may undergo a national criminal history background check, using fingerprints for the following licenses:

- (1) Amusement games for commercial use: Class E and above; and
- (2) Card games: Class E, Class F and house-banked card rooms; and
- (3) Punch boards/pull-tabs for commercial stimulant: Class F and above; and
- (4) Manufacturers: Class B and above; and
- (5) Distributors: Class B and above; and
- (6) Gambling service suppliers; and
- (7) Call centers for enhanced raffles; and
- (8) Representatives for distributors, manufacturers, gambling service suppliers, call centers for enhanced raffles, and linked bingo prize providers; and
- (9) Managers of commercial gambling operations; and
- (10) Public card room employees; and
- (11) Linked bingo prize providers.

**Amendatory Section**

**WAC 230-03-320 Substantial interest holders not required to be licensed as representatives.**

If you are a substantial interest holder in a business licensed to operate a manufacturer, distributor, gambling service supplier, call centers for enhanced raffles, or linked bingo prize provider or a spouse of the same, you do not have to have an additional license to perform representative duties connected with that licensed business.

**Amendatory Section**

**WAC 230-03-325 Office, clerical, or warehouse workers not required to be licensed as representatives.**

Except for workers at enhanced raffle call centers, if you are an office, clerical, or warehouse worker and have contact with customers or potential customers only by telephone at your employer's business premises and work under the immediate and direct supervision of a substantial interest holder or a licensed manager or supervisor, you do not have to have a representative license.

**Amendatory Section**

**WAC 230-03-335 Representatives must not work before receiving a license.**

If you are applying for a license as a representative for a manufacturer, distributor, gambling services supplier, call centers for enhanced raffles, or linked bingo prize provider, you must not work until you receive a license from us.

**Amendatory Section**

**WAC 230-05-020 Charitable or nonprofit organization fees.**

Bona fide charitable and nonprofit organizations must pay the following fees to us when applying for gambling licenses, permits, miscellaneous changes, or inspection services:

**1. Amusement games**

License	Annual Gross Gambling Receipts	Fee
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Class A	Premises only	\$58	
Class B	Up to \$10,000	\$58	
Class C	Up to \$25,000	\$319	
Class D	Up to \$50,000	\$513	
Class E	Over \$50,000	\$894	

## 2. Bingo

License	Annual Gross Gambling Receipts	Fee	One Time Variance*
Class A	Up to \$25,000	\$58	\$1,000
Class B	Up to \$75,000	\$185	\$1,000
Class C	Up to \$150,000	\$380	\$2,000
Class D	Up to \$350,000	\$1,026	\$4,000
Class E	Up to \$650,000	\$1,732	\$8,000
Class F	Up to \$1,500,000	\$3,486	\$15,000
Class G	Up to \$2,000,000	\$5,028	\$23,000
Class H	Up to \$3,000,000	\$6,722	\$30,000
Class I	Up to \$4,000,000	\$8,400	\$38,000
Class J	Up to \$5,000,000	\$10,078	\$45,000
Class K	Up to \$6,000,000	\$11,306	\$53,000
Class L	Up to \$7,000,000	\$12,922	\$60,000
Class	Up to	\$14,542	\$65,000

M	\$8,000,000		
Class N	Up to \$9,000,000	\$15,818	\$70,000
Class O	Up to \$10,000,000	\$17,454	\$75,000
Class P	Up to \$11,000,000	\$19,090	\$80,000
Class Q	Up to \$12,000,000	\$22,908	\$85,000
Class R	Up to \$13,000,000	\$26,180	\$90,000
Class S	Up to \$14,000,000	\$29,454	\$95,000

\*See chapter 230-06 WAC, Exceeding license class.

### 3. Card games

License	Description	Fee
Class A	Nonhouse-banked - fee to play	\$641
Class B	Limited card games - hearts, rummy, pitch, pinochle, and cribbage - fee to play	\$185
Class C	Tournament only - no more than thirty consecutive days per tournament	\$58
Class D	Nonhouse-banked - no fee to play	\$58

### 4. Fund-raising event

License	Description	Fee
Class A	One event - not more than 24 consecutive hours	
	First time applicant	\$380
	Previously licensed applicant	\$223

Class B	One event - not more than 72 consecutive hours	
	First time applicant	\$641
	Previously licensed applicant	\$393
Class C	Additional participant in joint event - not lead organization	\$185
Class D	Limited fund-raising event - one event - not more than six consecutive hours	
	First time applicant	\$167
	Previously licensed applicant	\$111
Class E	Fund-raising event equipment distributor - rents or leases equipment no more than ten times per year	\$253
Class F	Fund-raising event equipment distributor - rents or leases equipment more than ten times per year	\$641

#### 5. Punch boards/pull-tabs

License	Annual Gross Gambling Receipts	Fee	One Time Variance*
Class A	Up to \$50,000	\$611	\$5,000
Class B	Up to \$100,000	\$1,090	\$5,000
Class C	Up to \$200,000	\$2,062	\$10,000
Class D	Up to \$300,000	\$2,998	\$10,000
Class E	Up to	\$3,874	\$10,000

	\$400,000		
Class F	Up to \$500,000	\$4,676	\$10,000
Class G	Up to \$600,000	\$5,420	\$10,000
Class H	Up to \$700,000	\$6,100	\$10,000
Class I	Up to \$800,000	\$6,722	\$10,000
Class J	Up to \$1,000,000	\$7,620	\$20,000
Class K	Up to \$1,250,000	\$8,460	\$25,000
Class L	Up to \$1,500,000	\$9,240	\$25,000
Class M	Up to \$1,750,000	\$9,880	\$25,000
Class N	Up to \$2,000,000	\$10,466	\$25,000
Class O	Up to \$2,500,000	\$11,500	\$30,000
Class P	Up to \$3,000,000	\$12,218	\$35,000
Class Q	Up to \$4,000,000	\$14,400	\$40,000
Class R	Up to \$5,000,000	\$16,362	\$50,000
Class S	Up to \$6,000,000	\$18,544	\$60,000
Class T	Up to \$7,000,000	\$20,728	\$70,000
Class U	Up to \$8,000,000	\$22,908	\$80,000
Class V	Over \$8,000,000	\$25,090	\$80,000

\*See chapter 230-06 WAC, Exceeding license class.

**6. Raffles**

<b>License</b>	<b>Annual Gross Gambling Receipts</b>	<b>Fee</b>
Class A	Up to \$5,000	\$58
Class B	Up to \$10,000	\$185
Class C	Up to \$25,000	\$380
Class D	Up to \$50,000	\$641
Class E	Up to \$75,000	\$1,026
Class F	Over \$75,000	\$1,540

**7. Enhanced raffles**

<b><u>License</u></b>	<b><u>Fee</u></b>
<u>Annual</u>	<u>\$15,300</u>

**8. Combination license**

<b>License</b>	<b>Description</b>	<b>Fee</b>
Class A	Allows gross gambling receipts of up to \$25,000 from bingo, \$7,500 from raffles, and \$7,500 from amusement games, not to exceed \$30,000 combined gross gambling receipts from all such activities. Allows Class D card games.	\$115
Class B	Allows gross gambling receipts of up to \$60,000 from bingo, \$15,000 from raffles, and \$15,000 from amusement games, not to exceed \$75,000 combined gross gambling receipts from all such activities. Allows Class D card games.	\$300
Class C	Allows gross gambling	\$696

receipts of up to \$125,000 from bingo, \$30,000 from raffles, and \$30,000 from amusement games, not to exceed \$150,000 combined gross gambling receipts from all such activities. Allows Class D card games.		
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### 9. Special property bingo

Once annually	\$27
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### 10. Permits

Recreational gaming activity	\$58
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### 11. Changes

Type	Fee
Name	\$27
Location	\$27
Fund-raising event date or time	\$27
License class	\$27
Duplicate license	\$27

### 12. Other fees

Type	Fee
Replacement identification stamps	\$27
Failing to apply for license class upgrade	Up to fifty percent of the difference between our fees for the licensee's present license class and the new license class or one thousand dollars, whichever is less, plus

	\$26
Review, inspection and/or evaluation of equipment, paraphernalia, services, or schemes	Deposit and fees as required

**13. Two part payment plan participation**

Annual participation	\$27
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**Amendatory Section**

**WAC 230-05-030 Fees for other businesses.**

All other business license applicants must pay the following fees to us when applying for gambling licenses, miscellaneous changes, or inspection services:

**1. Commercial amusement games**

License	Annual Gross Gambling Receipts	Fee
Class A	Premises only	*\$327/\$150
Class B	Up to \$50,000	\$460
Class C	Up to \$100,000	\$1,184
Class D	Up to \$250,000	\$2,644
Class E	Up to \$500,000	\$4,640
Class F	Up to \$1,000,000	\$7,968
Class G	Over \$1,000,000	\$9,970

\*We reduce the license fee by \$177 when you apply for additional licenses at the same business premises, apply for multiple licenses at the same business premises, or a licensee is renewing an annual license.

**2. Distributor**

License	Annual Gross Sales	Fee
Class A	Nonpunch board/pull-tab only	\$659
Class B	Up to \$250,000	\$1,318

Class C	Up to \$500,000	\$1,980
Class D	Up to \$1,000,000	\$2,644
Class E	Up to \$2,500,000	\$3,446
Class F	Over \$2,500,000	\$4,242

### 3. Fund-raising event equipment distributor

License	Description	Fee
Class A	Rents or leases equipment for fund-raising event or recreational gaming activity up to 10 times per year.	\$260
Class B	Rents or leases equipment for fund-raising event or recreational gaming activity more than 10 times per year.	\$659

### 4. Gambling service supplier

License	Fee
Annual	\$687
Financing, consulting, and management contract review	\$143

### 5. Linked bingo prize provider

License	Fee
<u>Annual</u>	<u>\$4,414</u>

### 5. Call Centers for enhanced raffles

<u>License</u>	<u>Fee</u>
<u>Annual</u>	<u>\$4,500</u>

### 6. Manufacturer

License	Annual Gross Sales	Fee
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Class A	Pull-tab dispensing devices only	\$659
Class B	Up to \$250,000	\$1,318
Class C	Up to \$500,000	\$1,980
Class D	Up to \$1,000,000	\$2,644
Class E	Up to \$2,500,000	\$3,446
Class F	Over \$2,500,000	\$4,242

## 7. Permits

Type	Description	Fee
Agricultural fair	One location and event only	\$27
Agricultural fair annual permit	Annual permit for specified different events and locations	\$189
Recreational gaming activity		\$59
Manufacturer's special sales permit		\$211
Punch board and pull-tab service business permit	Initial application fee	\$236
Punch board and pull-tab service business permit	Renewal	\$56

## 8. Changes

Application	Description	Fee
Name		\$27
Location		\$27
Business classification	Same owners	\$59
Exceeding license class	New class fee, less previous fee paid, plus	\$27

Duplicate license		\$27
Corporate stock/limited liability company shares/units		\$59
License transfers		\$59

**9. Other fees**

Type	Fee
Defective punch board/pull-tab cost recovery fees	Up to \$100
Failing to apply for license class upgrade	Up to fifty percent of the difference between our fees for the licensee's present license class and the new license class or one thousand dollars, whichever is less, plus \$27
Review of gambling equipment, supplies, services, or games	Cost reimbursement

**10. Identification stamps**

Type	Fee	
<b>(a) Punch boards and pull-tabs</b>		
(i) Standard	Wagers fifty cents and below	\$1.11
	Wagers over fifty cents	\$1.11
(ii) Progressive jackpot pull-tab series	Per series	\$11.19
(iii) Pull-tab	Per series	\$1.11

series with carry-over jackpots and cumulative prize pool pull-tab series		
<b>(b) Pull-tab dispensing devices</b>		
(i) Mechanical and electro-mechanical		\$.28
(ii) Electronic	Dispensing devices that require initial and ongoing evaluation of electronic components or functions, such as reading encoded data on pull-tabs, accounting for income or prizes	\$112.04 annually
Replacement of identification stamps		\$26
<b>(c) Disposable bingo cards</b>		
(i) Single game sets of individual cards or sheets of cards		\$.28
(ii) Multigame card packets		\$1.22
(iii) Cards used to play for linked bingo prizes	Fee per 250 cards	\$.44
(iv) Cards used to play for linked bingo prizes	Fee per 5,000 cards	\$8.96
<b>(d) Coin or token-activated amusement games</b>		
Annually - operated at any Class A amusement game license location		\$28.00

<b>(e) Electronic bingo card daubers</b>	
Annual	\$11.19
<b>(f) Electronic card facsimile table</b>	
Annual	\$381.50

**11. Two-part payment plan participation**

Annual participation	\$27
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**Amendatory Section**

**WAC 230-05-035 Individuals license fees.**

Individuals must pay the following fees to us when they apply for gambling licenses, permits, miscellaneous changes:

**1. Charitable or nonprofit gambling manager**

<b>License</b>	<b>Fee</b>
Original	\$185
Renewal	\$88
Change of employer	\$88

**2. Linked bingo prize provider representative**

<b>License</b>	<b>Fee</b>
Original	\$260
Renewal	\$158

**3. Commercial gambling manager**

<b>License</b>	<b>Fee</b>
Original	\$189
Renewal	\$90
Change of employer	\$90

**4. Distributor's or gambling services supplier's representative**

License	Fee
Original	\$260
Renewal	\$158

5. ~~((Manufacturer's representative))~~ **Representatives for manufacturers or call centers for enhanced raffles**

License	Fee
Original	\$260
Renewal	\$158

6. **Public card room employee**

License	Fee
<b>Class A</b> - Performs card room employee duties in a Class E card room	
Original	\$189
Renewal	\$90
<b>Class B</b> - Performs card room employee duties in enhanced and house-banked card rooms	
Original, in-state	\$258
Original, out-of-state	\$320
Renewal	\$158
Transfer/additional employee/conversion/emergency waiver request	\$61

7. **Other fees**

Change of name	\$27
Duplicate license	\$27

8. **Military personnel returning from service**

If a license expires while an individual is on active military service, the individual may apply to have their license reissued at the renewal fee. The application must be received within six months after completing their active military service. The applicant must provide evidence of the completion date of active military service.

### **Amendatory Section**

#### **WAC 230-07-155 Reporting annual activity for raffles, enhanced raffles, amusement games, Class A, B, or C bingo, or combination licenses.**

- (1) Raffle, enhanced raffle, amusement game, Class A, B, or C bingo, or combination licensees must submit an annual report of all their activities in the format we require.
- (2) We must receive the completed report in our office postmarked no later than thirty days following the expiration of their license(s).
- (3) The highest ranking officer or his/her designee must sign the report.
- (4) If the licensee has someone else prepare the report, then the preparer must include his/her name and phone number on the report.
- (5) Licensees that operate retail sales activities in conjunction with bingo games must report the net income from those retail sales activities.

### **Amendatory Section**

#### **WAC 230-11-012 Licensees may conduct a joint raffle.**

Except for enhanced raffles, raffle licensees may jointly conduct a raffle if:

- (1) Licensees maintain in writing the method by which the income, expenditures for prizes, and all other expenses, received and expended in connection with the raffle will be divided among them; and
- (2) One licensee sets up a separate bank account into which all of the proceeds from the raffle are deposited and from which all of the expenses in connection with the raffle, including but not limited to, all payments for prizes, are made; and
- (3) Participating licensees keep records which clearly disclose the amount of money received or each licensee expends in connection with the raffle and the purpose(s) for which the money was spent; and
- (4) Licensees count all gross receipts that each participating licensee received toward their gross receipts limit.

### **SELLING TICKETS**

#### **Amendatory Section**

#### **WAC 230-11-014 Maximum raffle ticket price.**

- (1) Raffle tickets must not be sold for more than one hundred dollars each; and
- (2) Enhanced raffle tickets must not be sold for more than two hundred fifty dollars each.

### **Amendatory Section**

#### **WAC 230-11-020 Record information on ticket stub.**

If an organization sells raffle tickets to the general public or conducts raffles that do not require the winner to be present at the drawing, the organization must include a stub or other detachable section bearing a number, letter, or symbol matching the number, letter, or symbol on the ticket or object representing the participant's ticket. The organization's portion must include the participant's name, complete address, telephone number, and other information necessary to notify the winner. Licensees operating an enhanced raffle may provide a receipt that includes ticket confirmation numbers in lieu of a ticket stub.

### **Amendatory Section**

#### **WAC 230-11-030 Restrictions on ticket sales.**

- (1) Only the following people, who are at least eighteen years old, may sell raffle tickets:
  - (a) Members of the organization, except as explained in subsection (2) of this section; and
  - (b) Volunteers under the supervision of a member; and
  - (c) Licensed enhanced raffle call center representatives.
- (2) Organizations may allow members under the age of eighteen to sell tickets when the organization

has:

- (a) Development of youth as a primary purpose; and
  - (b) At least three members or advisors who are at least eighteen years old and who supervise the operation of the raffle; and
  - (c) An adult member or advisor designated as the manager of the raffle.
- (3) Organizations must sell tickets for a particular raffle for the same price unless offering an authorized discount plan; and
- (4) Organizations must not:
- (a) Sell raffle tickets via the internet; or
  - (b) Require anyone to purchase more than one raffle ticket; or
  - (c) Give an opportunity to participate in a raffle drawing to a person who has not purchased a ticket.

## **DRAWING TICKETS**

### **Amendatory Section**

#### **WAC 230-11-040 Place ticket stubs in receptacle for drawing.**

Each person who sells a raffle ticket must give the organization all tickets, ticket stubs or other detachable sections of all tickets sold. The organization must place each ticket, ticket stub or other detachable section of each ticket sold into a receptacle from which the organization will draw the winning tickets unless they use one of the authorized alternative drawing formats.

### **Amendatory Section**

#### **WAC 230-11-050 Using alternative drawing formats.**

Except for enhanced raffles, licensees may use alternative drawing formats that randomly determine winners if licensees:

- (1) Fully disclose to each player the random selection process used in the alternative drawing format before selling tickets; and
- (2) Maintain a copy of the disclosure with the permanent raffle records; and
- (3) Use controls and accounting procedures that:
  - (a) Provide the ability to audit gross gambling receipts from ticket sales; and
  - (b) Have sufficient controls to prevent manipulation of the random selection process; and
  - (c) Document the random selection process.

### **Amendatory Section**

#### **WAC 230-11-055 Authorized alternative drawing formats.**

Except for enhanced raffles, licensees may use the following types of alternative drawing formats or similar random selection processes:

##### *Mock races.*

(1) The licensee sells participants consecutively numbered tickets that identify a specific corresponding numbered mock animal(s), ball(s), or other similar object(s) that can use natural elements to move the objects (water, gravity, wind) in a race. All objects must be identical in weight, size, and shape, to have an equal opportunity to win. The licensee must release all objects simultaneously at a start line. The first numbered object to cross the finish line wins.

##### *Poker runs.*

(2) The licensee sells participants consecutively numbered tickets or poker tally sheets to participants. Participants travel a predetermined course with predetermined drawing stations (typically five drawing stations). At each drawing station, participants draw one playing card for each ticket purchased. Station attendants must verify the card drawn and record the card value on the poker ticket tally sheet. After all participants have completed the course, the participant with the best recorded poker hand wins.

### *Ball drops.*

(3) The licensee sells participants consecutively numbered tickets that identify a specific corresponding numbered ball. All balls must be equal in size, weight, and shape, to have an equal opportunity to win. The licensee suspends all purchased numbered balls in the air and simultaneously releases them over a target zone. The ball, closest or first, to hit the predetermined target wins.

### *Animal plops.*

(4) The licensee sells participants consecutively numbered tickets that identify a specific corresponding square on a numbered grid. The licensee releases the animal into the grid area until the animal has completed its plop. The numbered square containing the plop wins.

### *Multiple stage drawings.*

(5) The licensee sells participants consecutively numbered tickets. The licensee uses multiple drawing phases to eliminate participants until the licensee declares the remaining ticket holder(s) the winner(s). The licensee may use second element of chance plans as long as the plans meet the criteria set out in WAC 230-11-060.

### *Bucket raffles.*

(6) The licensee sells participants consecutively numbered tickets. Participants place their tickets into any number of separate buckets or other receptacles for separate prizes. We consider the multiple drawings one single raffle. If licensees use different tickets for each receptacle, we consider each drawing an individual raffle.

### *Calendar raffles.*

(7) The licensee sells participants consecutively numbered calendars with removable stubs. The licensee places all sold calendar stubs into the drawing receptacle. On predetermined dates identified on the calendar, the licensee conducts drawings. The licensee places all winning stubs back into the drawing receptacle for future drawings.

## **PRIZES**

### **Amendatory Section**

#### **WAC 230-11-065 Raffle prizes.**

- 1) Organizations must own the prizes offered to winners before the date of the drawing. However, if the winner has an option to receive a cash prize instead of the merchandise, the organization may enter into a contract to purchase the merchandise prize after the winner chooses his or her option. The organization must have the funds to make the purchase on account before the date of the drawing.
- (2) At the time and date of any raffle drawing, the organization must have on deposit an unencumbered amount of money that is equal to or greater than all cash prizes being offered in the raffle. The organization must have these funds deposited in the gambling receipts account, if required, or in a recognized Washington state depository authorized to receive funds. The organization must not reduce the balance of funds available from this account below the required amount before awarding the prize(s).
- (3) Raffle prizes must:
  - (a) Be available at the time and place of the drawing; and
  - (b) If cash, be United States currency or an equivalent amount of negotiable instruments; and
  - (c) For licensees, not exceed forty thousand dollars per prize or three hundred thousand dollars in total raffle prizes in a license year, except as authorized in WAC 230-11-067.
- (4) For enhanced raffles, a purchase contract is not necessary for smaller noncash prizes, but the bona fide charitable or nonprofit organization must be able to demonstrate that such a prize is available and sufficient funds are held in reserve in the event that the winner chooses a noncash prize.

## **CONDUCTING A MEMBERS-ONLY RAFFLE**

### **Amendatory Section**

#### **WAC 230-11-070 Defining "members-only" raffles.**

A "members-only raffle" means a raffle where the organization sells tickets only to full and regular members and a limited number of guests and does not include enhanced raffles. All aspects of the raffle must take place during the same event at the same location. Winners must be determined from among those members and guests that have purchased tickets.

### **New Section**

#### **WAC 230-03-152 Additional requirements for enhanced raffles.**

- (1) The commissioners may vote to approve a bona fide charitable or nonprofit organization, whose primary purpose is serving individuals with intellectual disabilities, to conduct enhanced raffles when they meet the requirements of RCW 9.46.xxx and submit a plan as designated below.
- (2) The bona fide charitable or nonprofit organization must submit a plan to us for each enhanced raffle that includes at least the following information:
  - (a) The organization's primary purpose for conducting the enhanced raffle; and
  - (b) A brief overview of the licensee's mission and vision including the type of programs supported by the licensee and clients served; and
  - (c) Specific details of the raffle rules including:
    - (i) Date and location of the grand prize drawing and associated smaller raffles; and
    - (ii) A description of additional related entries and drawings such as early bird, refer a friend, and multiple ticket drawings; and
    - (iii) Cost of raffle tickets; and
    - (iv) Prizes available; and
    - (v) Security of prizes; and
    - (vi) Plans for selling raffle tickets; and
    - (vii) Description of how the licensee protects the integrity of the raffle; and
  - (d) An explanation of how the proceeds from the raffle will be used; and
  - (e) A plan to protect the licensee in the event of low ticket sales and other risks; and
  - (f) An explanation of how the licensee will purchase the prize(s) for the raffle; and
  - (g) A projected budget including:
    - (i) Estimated gross gambling receipts, expenses, and net income for the raffle; and
    - (ii) Minimum number of projected ticket sales to break even; and
    - (iii) Corresponding sales and prize levels with projected revenues and expenses for each level; and
    - (iv) Minimum and maximum prizes available; and
  - (h) Name of the dedicated employee of the organization who will be responsible for oversight of the enhanced raffle operations; and
  - (i) Name of any licensed service supplier managing the enhanced raffle; and
  - (j) Name of any licensed call centers contracted to receive enhanced raffle tickets sales; and
  - (k) Any other information that we request.

### **New Section**

#### **LICENSING CALL CENTERS (new header)**

#### **WAC 230-03-232 Applying for an enhanced raffle call center license.**

- (1) You must apply for an enhanced raffle call center license if you receive authorized enhanced raffle ticket sales.
- (2) The licensing process may include an on-site review of your call center process to ensure compliance with applicable gambling laws and rules, and your qualifications for licensure.

### **New Section**

#### **WAC 230-03-317 Applying for an enhanced raffle call center representative license.**

You must apply for an enhanced raffle call center representative license if you are employed by a licensed enhanced raffle call center.

### **New Section**

#### **WAC 230-11-002 The definition of raffle as used in this chapter.**

“Raffle” as used in this chapter means raffle as defined in RCW 9.46.0277 and enhanced raffle as defined in RCW 9.46.xxxx.

## **RECORDKEEPING FOR ENHANCED RAFFLES**

### **New Section**

#### **WAC 230-11-102 Recordkeeping requirements for enhanced raffles.**

Licensees conducting enhanced raffles must prepare a detailed record for each raffle they conduct.

Licensees must:

- (1) Prepare detailed records in the format we require; and
- (2) Maintain the following:
  - (a) Validated deposit receipts for each deposit of raffle proceeds; and
  - (b) All winning tickets; and
  - (c) Name, address, and telephone number of all winners of a prize with a fair market value of more than fifty dollars; and
  - (d) All enhanced raffle tickets placed in the receptacle; and
  - (e) Invoices and other documentation recording the purchase or receipt of prizes; and
  - (f) Invoices and other documentation recording the purchase of tickets and other expenses of the raffle; and
- (3) Complete all records no later than thirty days following the drawing.

### **New Section**

#### **WAC 230-11-103 Independent audit required for enhanced raffles.**

- (1) Charitable or nonprofit licensees conducting enhanced raffles must have an independent audit conducted on each enhanced raffle and the associated smaller raffles.
- (2) Licensees must hire an independent, certified public accountant or firm licensed by the Washington state board of accountancy to conduct the audit.
- (3) The licensee must submit the auditor’s report no later than sixty days following the date of the enhanced raffle grand prize drawing.
- (4) We may grant an organization additional time to submit the information required if a written request is received before the due date. The president of the organization must sign any request for additional time and include a statement explaining the hardship causing the delay, and the expected date the required report(s) will be submitted.
- (5) The independent auditor’s report must include:
  - (a) For the enhanced raffle grand prize drawing and each associated smaller raffles:
    - (i) Date of the drawing;
    - (ii) Location of the drawing;
    - (iii) Gross receipts; and
    - (iv) Prizes awarded;
  - (b) List of all expenses used to calculate net proceeds;
  - (c) Itemized list of all expenses and associated amounts for conducting the enhanced raffle;
  - (d) Source of funds for purchasing prizes and conducting the enhanced raffle;

- (e) The amount of funds that the charitable or nonprofit licensee used or that will be used towards their stated purpose; and
- (f) Any other information we require to ensure completeness of the information reported.

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SUBSTITUTE SENATE BILL 5723**

63rd Legislature  
2013 Regular Session

Passed by the Senate April 23, 2013  
YEAS 36 NAYS 12

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**President of the Senate**

Passed by the House April 12, 2013  
YEAS 94 NAYS 2

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**Speaker of the House of Representatives**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5723** as passed by the Senate and the House of Representatives on the dates hereon set forth.

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**Secretary**

FILED

**Secretary of State  
State of Washington**

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ENGROSSED SUBSTITUTE SENATE BILL 5723

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AS AMENDED BY THE HOUSE

Passed Legislature - 2013 Regular Session

State of Washington

63rd Legislature

2013 Regular Session

By Senate Commerce & Labor (originally sponsored by Senators Hewitt, Conway, Brown, and Kline)

READ FIRST TIME 02/21/13.

1 AN ACT Relating to enhanced raffles; adding a new section to  
2 chapter 9.46 RCW; and providing an expiration date.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 9.46 RCW  
5 to read as follows:

6 (1) A bona fide charitable or nonprofit organization, as defined in  
7 RCW 9.46.0209, whose primary purpose is serving individuals with  
8 intellectual disabilities may conduct enhanced raffles if licensed by  
9 the commission.

10 (2) The commission has the authority to approve two enhanced  
11 raffles per calendar year for western Washington and two enhanced  
12 raffles per calendar year for eastern Washington. Whether the enhanced  
13 raffle occurs in western Washington or eastern Washington will be  
14 determined by the location where the grand prize winning ticket is to  
15 be drawn as stated on the organization's application to the commission.  
16 An enhanced raffle is considered approved when voted on by the  
17 commission.

18 (3) The commission has the authority to approve enhanced raffles  
19 under the following conditions:

1 (a) The value of the grand prize must not exceed five million  
2 dollars.

3 (b) Sales may be made in person, by mail, by fax, or by telephone  
4 only. Raffle ticket order forms may be printed from the bona fide  
5 charitable or nonprofit organization's web site. Obtaining the form in  
6 this manner does not constitute a sale.

7 (c) Tickets purchased as part of a multiple ticket package may be  
8 purchased at a discount.

9 (d) Multiple smaller prizes are authorized during the course of an  
10 enhanced raffle for a grand prize including, but not limited to, early  
11 bird, refer a friend, and multiple ticket drawings.

12 (e) A purchase contract is not necessary for smaller noncash  
13 prizes, but the bona fide charitable or nonprofit organization must be  
14 able to demonstrate that such a prize is available and sufficient funds  
15 are held in reserve in the event that the winner chooses a noncash  
16 prize.

17 (f) All enhanced raffles and associated smaller raffles must be  
18 independently audited, as defined by the commission during rule making.  
19 The audit results must be reported to the commission.

20 (g) Call centers, when licensed by the commission, are authorized.  
21 The bona fide charitable or nonprofit organization may contract with a  
22 call center vendor to receive enhanced raffle ticket sales. The vendor  
23 may not solicit sales. The vendor may be located outside the state,  
24 but the bona fide charitable or nonprofit organization must have a  
25 contractual relationship with the vendor stating that the vendor must  
26 comply with all applicable Washington state laws and rules.

27 (h) The bona fide charitable or nonprofit organization must be the  
28 primary recipient of the funds raised.

29 (i) Sales data may be transmitted electronically from the vendor to  
30 the bona fide charitable or nonprofit organization. Credit cards,  
31 issued by a state regulated or federally regulated financial  
32 institution, may be used for payment to participate in enhanced  
33 raffles.

34 (j) Receipts including ticket confirmation numbers may be sent to  
35 ticket purchasers either by mail or by e-mail.

36 (k) In the event the bona fide charitable or nonprofit organization  
37 determines ticket sales are insufficient to qualify for a complete  
38 enhanced raffle to move forward, the enhanced raffle winner must

1 receive fifty percent of the net proceeds in excess of expenses as the  
2 grand prize. The enhanced raffle winner will receive a choice between  
3 an annuity value equal to fifty percent of the net proceeds in excess  
4 of expenses paid by annuity over twenty years, or a one-time cash  
5 payment of seventy percent of the annuity value.

6 (1) A bona fide charitable or nonprofit organization is authorized  
7 to hire a consultant licensed by the commission to run an enhanced  
8 raffle; in addition, the bona fide charitable or nonprofit organization  
9 must have a dedicated employee who is responsible for oversight of  
10 enhanced raffle operations. The bona fide charitable or nonprofit  
11 organization is ultimately responsible for ensuring that an enhanced  
12 raffle is conducted in accordance with all applicable state laws and  
13 rules.

14 (4) The commission has the authority to set fees for bona fide  
15 charitable or nonprofit organizations, call center vendors, and  
16 consultants conducting enhanced raffles authorized under this section.

17 (5) The commission has the authority to adopt rules governing the  
18 licensing and operation of enhanced raffles.

19 (6) Except as specifically authorized in this section, enhanced  
20 raffles must be held in accordance with all other requirements of this  
21 chapter, other applicable laws, and rules of the commission.

22 (7) For the purposes of this section:

23 (a) "Enhanced raffle" means a game in which tickets bearing an  
24 individual number are sold for not more than two hundred fifty dollars  
25 each and in which a grand prize and smaller prizes are awarded on the  
26 basis of drawings from the tickets by the person or persons conducting  
27 the game. An enhanced raffle may include additional related entries  
28 and drawings, such as early bird, refer a friend, and multiple ticket  
29 drawings when the bona fide charitable or nonprofit organization  
30 establishes the eligibility standards for such entries and drawings  
31 before any enhanced raffle tickets are sold. No drawing may occur by  
32 using a random number generator or similar means.

33 (b) "Early bird drawing" means a separate drawing for a separate  
34 prize held prior to the grand prize drawing. All tickets entered into  
35 the early bird drawing, including all early bird winning tickets, are  
36 entered into subsequent early bird drawings, and also entered into the  
37 drawing for the grand prize.

1 (c) "Refer a friend drawing" means a completely separate drawing,  
2 using tickets distinct from those for the enhanced raffle, for a  
3 separate prize held at the conclusion of the enhanced raffle for all  
4 enhanced raffle ticket purchasers, known as the referring friend, who  
5 refer other persons to the enhanced raffle when the other person  
6 ultimately purchases an enhanced raffle ticket. The referring friend  
7 will receive one ticket for each friend referred specifically for the  
8 refer a friend drawing. In addition, each friend referred could also  
9 become a referring friend and receive his or her own additional ticket  
10 for the refer a friend drawing.

11 (d) "Multiple ticket drawing" means a completely separate drawing,  
12 using tickets distinct from those for the enhanced raffle, for a  
13 separate prize held at the conclusion of the enhanced raffle for all  
14 enhanced raffle ticket purchasers who purchase a specified number of  
15 enhanced raffle tickets. For example, a multiple ticket drawing could  
16 include persons who purchase three or more enhanced raffle tickets in  
17 the same order, using the same payment information, with tickets in the  
18 same person's name. For each eligible enhanced raffle ticket purchased,  
19 the purchaser also receives a ticket for the multiple ticket drawing  
20 prize.

21 (e) "Western Washington" includes those counties west of the  
22 Cascade mountains, including Clallam, Clark, Cowlitz, Grays Harbor,  
23 Island, Jefferson, King, Kitsap, Lewis, Mason, Pacific, Pierce, San  
24 Juan, Skagit, Skamania, Snohomish, Thurston, Wahkiakum, and Whatcom.

25 (f) "Eastern Washington" includes those counties east of the  
26 Cascade mountains that are not listed in (e) of this subsection.

27 (8) By December 2016, the commission must report back to the  
28 appropriate committees of the legislature on enhanced raffles. The  
29 report must include results of the raffles, revenue generated by the  
30 raffles, and identify any state or federal regulatory actions taken in  
31 relation to enhanced raffles in Washington. The report must also make  
32 recommendations, if any, for policy changes to the enhanced raffle  
33 authority.

34 (9) This section expires June 30, 2017.

--- END ---



# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5723 E S SB AMH OVER H2143.1	<b>Title:</b> Enhanced raffles	<b>Agency:</b> 117-Washington State Gambling Comm
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**Part I: Estimates**

No Fiscal Impact

**Estimated Cash Receipts to:**

ACCOUNT	FY 2014	FY 2015	2013-15	2015-17	2017-19
Gambling Revolving Account-Non-Appropriated 884-6	15,766	31,532	47,298	31,532	
<b>Total \$</b>	15,766	31,532	47,298	31,532	

**Estimated Expenditures from:**

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	0.4	0.2	0.3	0.1	0.0
<b>Account</b>					
Gambling Revolving Account-Non-Appropriated 884-6	28,369	31,532	59,901	31,532	0
<b>Total \$</b>	28,369	31,532	59,901	31,532	0

**Estimated Capital Budget Impact:**

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/07/2013
Agency Preparation: Donna Khanhasa	Phone: (360) 486-3565	Date: 04/10/2013
Agency Approval: Dave Trujillo	Phone: (360) 486-3512	Date: 04/10/2013
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 04/10/2013

Request # 117-15-13-I

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Sec. 1, subsection (1) authorizes a bona fide charitable or nonprofit organization, whose primary purpose is serving individuals with intellectual disabilities, to conduct "enhanced raffles" if licensed by the gambling commission.

Sec. 1, subsection (7) defines "enhanced raffles" as a game in which tickets bearing an individual number are sold for not more than two hundred fifty dollars each and in which a grand prize and smaller prizes are awarded on the basis of drawings from the tickets by the person or persons conducting the game. An enhanced raffle may include additional related entries and drawings, such as early bird, refer a friend, and multiple ticket drawings when the bona fide charitable or nonprofit organization establishes the eligibility standards for such entries and drawings before any enhanced raffle tickets are sold.

Sec. 1, subsection (2) authorizes the commission to approve two enhanced raffles per calendar year for western Washington and two enhanced raffles per calendar year for eastern Washington.

Sec. 1, subsection (3) authorizes the commission to approve enhanced raffles under the following conditions:

1. The grand prize per raffle must not exceed five million dollars.
2. For enhanced raffles only, tickets can be sold for not more than two hundred fifty dollars.
3. Sales may be made in person, by mail, by fax, or by telephone only. Raffle ticket order forms may be printed from the bona fide charitable or nonprofit organization's website, but obtaining the form in this manner does not constitute a sale.
4. Tickets purchased as part of a multiple ticket package may be purchased at a discount.
5. Multiple smaller prizes are authorized during the course of an enhanced raffle for a grand prize including, but not limited to, "early bird," "refer a friend," and "multiple ticket" drawings. Sec. 1, subsection (7) further defines these drawings.
6. A purchase contract is not necessary for smaller noncash prizes, but the bona fide charitable or nonprofit organization must be able to demonstrate that such a prize is available and sufficient funds are held in reserve in the event that the winner chooses a noncash prize.
7. All enhanced raffles and associated smaller raffles must be independently audited, as defined by the commission during rule making. The audit results must be reported to the commission.
8. Call centers, when licensed by the commission, are authorized. The bona fide charitable or nonprofit organization may contract with a call center vendor to receive enhanced raffle ticket sales.
9. The bona fide charitable or nonprofit organization may hire a consultant licensed by the commission to run the enhanced raffle.
10. The bona fide charitable or nonprofit organization must be the primary recipient of the funds raised.
11. Sales data may be transmitted electronically from the vendor to the bona fide charitable or nonprofit organization.
12. Receipts including ticket confirmation numbers may be sent to ticket purchasers either by mail or by e-mail.
13. Credit cards, issued by a state regulated or federally regulated financial institution, may be used for payment to participate in enhanced raffles.
14. No drawing may occur by using a random number generator or similar means.

Request # 117-15-13-1

Sec. 1, subsection (4) authorizes the commission to set fees for bona fide charitable or nonprofit organizations conducting enhanced raffles, call center vendors receiving enhanced raffle tickets sales, and consultants running enhanced raffles.

Sec. 1, subsection (5) authorizes the commission to adopt rules governing the licensing and operation of enhanced raffles.

Sec. 1, subsection (8) requires the commission to report back, by December 2017, to the appropriate committees of the Legislature on enhanced raffles. The report must include results of the raffles, revenue generated by the raffles, and identify any state or federal actions taken in relation to enhanced raffles in Washington. The report must also make recommendations, if any, for policy changes to enhanced raffle authority.

Sec. 1, subsection (9) states this section expires on June 30, 2016.

#### Assumptions:

1. We assume that the commission will establish a fee schedule for bona fide charitable or nonprofit organizations conducting enhanced raffles, call center vendors receiving enhanced raffle tickets sales, and consultants running enhanced raffles in accordance with RCW 9.46.070(5). RCW 9.46.070(5) states that when the commission is establishing fees, the "fees shall provide to the commission not less than an amount of money adequate to cover all costs incurred by the commission relative to licensing under this chapter and the enforcement by the commission of the provisions of this chapter and rules and regulations adopted pursuant thereto." That provision also states that if in a particular case the basic license fee established by the commission for a particular class of license is less than the commission's actual expenses to investigate that particular application, the commission may at any time charge to that applicant such additional fees as are necessary to pay the commission for those costs. The commission may decline to proceed with its investigation and no license shall be issued until the commission has been fully paid therefor by the applicant.

2. Because the bill authorizes a new type of gambling activity (an enhanced raffle), the commission would have to create three new license categories for the enhanced raffle licensees, consultants, and call centers. In addition, we estimate the commission would have to change approximately ten additional raffle rules.

3. Commission staff will spend time on license processing, pre-licensing investigations, program reviews, records inspections, complaint investigations, and on-site inspection of the drawing for the enhanced raffle.

4. In accordance with subsection (8), we are assuming staff would prepare this type of report for the Commissioners, similar to a memo staff did in 2010 about large scale raffles, where raffles prizes exceeded the normal limits. Because of this, we are not factoring in extra expenditures due to this bill.

#### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

Sec. 1, subsection (2) authorizes the commission to approve two enhanced raffles per calendar year for western Washington and two enhanced raffles per calendar year for eastern Washington.

Sec. 1, subsection (4) authorizes the commission to set fees for bona fide charitable or nonprofit organizations conducting

enhanced raffles, call center vendors receiving enhanced raffle tickets sales, and consultants running enhanced raffles.

Sec. 1, subsection (9) states this section expires on June 30, 2016.

Assumptions:

1. We assume that the commission will establish a fee schedule for bona fide charitable or nonprofit organizations conducting enhanced raffles, call center vendors receiving enhanced raffle tickets sales, and consultants running enhanced raffles in accordance with RCW 9.46.070(5), as explained in the Summary.

2. We are assuming in the first year, the commission would license one enhanced raffle license, one call center, and one consultant. For the second and third year, we are assuming the commission would license two enhanced raffle licenses, and renew the licenses for the call center and enhanced raffle consultant. Because the section expires June 30, 2016, we will not receive any cash receipts after the third year.

3. Because the bill allows a grand prize of up to \$5,000,000, we are assuming that the enhanced raffle licensee would gross well over \$5,000,000 to offer such a prize. Based on the high amount of gross receipts, we estimate that the annual cost for an enhanced raffle basic license fee would be approximately between \$10,000 and \$29,000. By comparison, the current annual fee for a non-profit Bingo Class "J" license that can have gross receipts of up to \$5,000,000 is \$10,078. For a Bingo Class "O" license that can gross up to \$10,000,000, the fee is \$17,454. The highest Bingo annual license fee is \$29,454, which allows the licensee to gross up to \$14,000,000. For a non-profit Punch Board/Pull-tab Class "N" license that can gross up to \$2,000,000, the license is \$10,466.

4. For the purposes of this fiscal note, we used \$10,522 as the estimated annual license fee for an enhanced raffle. This is based on current billing rates and time spent on raffle licensees, including large scale raffles.

5. We are estimating the annual license fee for an enhanced raffle consultant would likely be similar to the license fees for a gambling service supplier, which is currently \$687, plus \$143 for each contract review. In addition, the enhanced raffle consultant license fee would also include the actual costs of a pre-licensing investigation. For the purposes of this fiscal note, we used \$687 as the basic annual license fee. However, depending of the complexity and extent of the duties the consultant would perform, the commission may set a different fee during rulemaking.

6. We are estimating the annual license for call center vendors receiving enhanced raffle tickets sales would be between \$4,000 and \$6,000, plus the cost of an on-site investigation. This is comparable to the linked bingo prize provider annual license fee of \$4,414. For the purposes of this fiscal note, we used \$4,414 as the license fee for call center vendors.

**II. C - Expenditures**

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

Sec. 1, subsection (2) authorizes the commission to approve four enhanced raffles per year for bona fide charitable or nonprofit organization, whose primary purpose is serving individuals with intellectual disabilities, under certain conditions.

Sec. 1, subsection (4) authorizes the commission to set fees for bona fide charitable or nonprofit organizations conducting enhanced raffles, call center vendors receiving enhanced raffle tickets sales, and consultants running enhanced raffles.

Sec. 1, subsection (3) authorizes the commission to pass rules related to independent audits for the raffles.

Sec. 1, subsection (5) authorizes the commission to adopt rules governing the licensing and operation of enhanced raffles.

Sec. 1, subsection (8) requires the commission to report back, by December 2017, to the appropriate committees of the Legislature on enhanced raffles. The report must include results of the raffles, revenue generated by the raffles, and identify any state or federal actions taken in relation to enhanced raffles in Washington. The report must also make recommendations, if any, for policy changes to enhanced raffle authority.

Sec. 1, subsection (9) states this section expires on June 30, 2016.

#### Assumptions:

Amending a rule takes approximately 25 hours on average per rule. We anticipate needing to create or amend approximately 13 rules for a total of 325 hours.

As part of the pre-licensing process for enhanced raffles, commission staff time would be spent on processing the application. Commission staff would go on-site to review organizational and financial records, conduct interviews, review contracts for compliance with RCW and WAC, and document the proposed operations of the enhanced raffle. Staff will need to confirm that the bona fide charitable or nonprofit organization will be the primary recipient of funds raised from an enhanced raffle. Staff time also includes time investigating the criminal history background of substantial interest holders. At the conclusion of the pre-licensing investigation, commission staff would prepare a report for the commissioners for their review.

After the first year, the bona fide charitable or nonprofit organizations conducting the enhanced raffle will need to show that they made significant progress, similar to what other large charitable/nonprofit organizations must do now. Staff will review audited financial statements, prepared by an independent CPA, and program expenditures to determine if the organization has demonstrated significant progress toward their stated purpose. This will take approximately three hours per organization.

Every three years, the commission would conduct a program review on the organization. This takes approximately 54 hours total for the staff involved plus their travel time. Commission staff will spend time preparing and conducting an on-site review that will include interviews, observations of the organization's services, and examination of their records to determine compliance with RCW and WAC rules regarding internal controls, financial records, and program expenditures to determine if the organization has demonstrated significant progress toward their stated purpose. Results of the program review are presented to the commissioners at a public meeting.

The commission staff estimates conducting a raffle records inspection as part of an enhanced raffle. Currently, staff conducts records inspections for large scale raffles, which takes approximately 30 hours of staff time plus travel time. Commission staff would review the organization's raffle records, raffle annual activity report, raffle summaries, raffle

ticket distribution logs, raffle winners' registers, and prize inventory control records. Staff will also spend time reviewing invoices or other documentation recording the purchase or receipt of prizes as well as the purchase of raffle tickets and other expenses of the raffle operations. Staff also reviews all unsold raffle tickets, all winning tickets, and all ticket stubs for the raffle(s) if the participants were not required to be present at the drawing. Bank statements, cancelled checks, validated deposit receipts for each deposit of raffle records, and check registers will also be reviewed.

Staff time will also be spent on an on-site inspection of the drawing. For each drawing, these will take approximately ten hours to complete plus travel time.

During the on-site pre-licensing investigation for the call center, commission staff would review organizational and financial records, conduct interviews, review contracts for compliance with RCW and WAC, and document the operations of the call center.

We also spend staff time investigating raffle complaints as well as assisting licensees and the public on raffle inquiries. In 2012, commission staff spent over 300 hours investigating raffle complaints, including 15 hours to investigate one complaint on a large scale raffle. Staff also spent over 500 hours assisting licensees and the public on raffle inquiries. For purposes of this fiscal note, we have not estimated additional time that may be needed to investigate enhanced raffles.

This bill requires the commission to report to the Legislature by December 2017 on results of the raffles, revenue generated by the raffles, and any state or federal actions taken in relation to enhanced raffles in Washington. The report must also make recommendations, if any, for policy changes to enhanced raffle authority. We are assuming staff would prepare this type of report for the Commissioners, similar to a memo staff did in 2010 about large scale raffles, where raffles prizes exceeded the normal limits. Because of this, we are not factoring in extra expenditures due to this bill.

Because the section expires June 30, 2016, we will not have any expenditures after the third year.

### Part III: Expenditure Detail

#### III. A - Expenditures by Object Or Purpose

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FT Staff Years	0.4	0.2	0.3	0.1	
A-Salaries and Wages	18,240	20,298	38,538	20,298	
B-Employee Benefits	6,202	6,902	13,104	6,902	
C-Professional Service Contracts					
E-Goods and Other Services	1,809	480	2,289	480	
G-Travel	2,118	3,852	5,970	3,852	
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total:</b>	<b>\$28,369</b>	<b>\$31,532</b>	<b>\$59,901</b>	<b>\$31,532</b>	<b>\$0</b>

**III. B - Detail:** *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2014	FY 2015	2013-15	2015-17	2017-19
Customer Service Specialist 3	35,040	0.0	0.0	0.0	0.0	
Special Agent	50,568	0.4	0.2	0.3	0.1	
<b>Total FTE's</b>	<b>85,608</b>	<b>0.4</b>	<b>0.2</b>	<b>0.3</b>	<b>0.1</b>	<b>0.0</b>

**Part IV: Capital Budget Impact**

NONE

**Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

Sec.1, subsection (4) authorizes the commission to set fees for bona fide charitable or nonprofit organizations conducting enhanced raffles, call center vendors receiving enhanced raffle tickets sales, and consultants running enhanced raffles.

Sec. 1, subsection (3) authorizes the commission to pass rules related to independent audits for the raffles.

Sec. 1, subsection (5) authorizes the commission to adopt rules governing the licensing and operation of enhanced raffles.

**Assumptions:**

Because the bill authorizes a new type of gambling activity (an enhanced raffle), the commission would have to create three new license categories for the enhanced raffle licensees, consultants, and call centers. In addition, we estimate the commission would have to change approximately ten additional raffle rules. Amending a rule takes approximately 25 hours on average per rule. We anticipate needing to create or amend approximately 13 rules for a total of 325 hours.

The following raffle rules will likely need to be changed in addition to creating new rules as needed by the new RCW:

**CONDUCTING A RAFFLE**

230-11-001 Defining "licensees," "licensee," "organizations," and "organization."

**SELLING TICKETS**

- 230-11-014 Maximum raffle ticket price.
- 230-11-015 Provide rules to participants.
- 230-11-020 Record information on ticket stub.
- 230-11-025 Bundling and selling tickets at a discount.
- 230-11-030 Restrictions on ticket sales.
- 230-11-035 Incentives for selling tickets.

**DRAWING TICKETS**

230-11-040 Place ticket stubs in receptacle for drawing.

**PRIZES**

230-11-065 Raffle prizes.

**RECORDKEEPING FOR RAFFLES**

230-11-105 Retain and store raffle records.